DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
~~Defense Minerals Exploration Administration~~
OFFICE OF MINERALS EXPLORATION

OFFICIAL DOCKET FILE

Idm-E NO. 2215

OME ~~DMEA~~ NO. 6481

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- [ ] Withdrawn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 Report of Review, June 1967
- [x] Termination ~~Notice~~ Agreement dtd 8/13/68, eff.12/17/66
- [ ] Recision Notice
- [ ] Assignment of Contract
- [x] Contract Amendments
- [x] Contract with all exhibits and annexes
- [ ] Owner's Consent to Lien and Subordination Agreement
- [x] Application and attachments

Right Side

- [ ] Project summary (final)
- [ ] Work Completed analysis (final)
- All other material filed in chronological order including the following reports if checked:
- [ ] Field Team Semi-Annual Report for Certified Project
- [x] Final Field Team Report (Tab)
- [x] Operator's Final Report (Tab) 8/26/68
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [x] On-site Exam Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No. 2 : Reports
- [ ] Analysis of Semi-Annual Inspection Reports
- [ ] Project Summary (Interim) by DMEA Engineers

Right Side

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

Folders No. 3 : Maps (Use pocket folder or envelope)

Folders No. _____ : Settlement Sheets

Folders No. _____ : Drill Logs

Folders No. _____ : Royalty material

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MME Form 7
(2/63)

OFFICIAL F

Date	Surn
9/20/68	Kirk

SEP 23 1968

Sidney Mining Company
123 McKinley Avenue
Kellogg, Idaho 83837

Re: OME-6481 (Gold-Silver)
Sidney Mining Company
Cook Claims
Owyhee County, Idaho
Contract 2215

Gentlemen:

Reference is made to your terminated exploration project under the referenced contract.

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 are, therefore, 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 OME exploration program.

Sincerely yours,

FRANK E. JOHNSON (gla)

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Economic Geology File
Branch of Budget and Finance
OME docket
OME Reading File
OME Region I
Mr. Kirkem

GLAult/a 9-20-68

UNITED STATES DEPARTMENT OF THE INTERIOR

OFFICE OF SURVEY AND REVIEW
AUDIT OPERATIONS
WASHINGTON, D.C.

Report of Review-Contract 2215
Docket No. OME-6481 (Gold-Silver)
Sidney Mining Company (Operator)
Cook Claims
Owyhee County, Idaho

Report Issued: June 1967

An examination of the disbursement records in the Branch of Budget and Finance, Administrative Division, U.S. Geological Survey, and a review of the Office of Minerals Exploration contract files pertaining to the subject minerals exploration contract was made at Washington, D.C., on June 2 and 5, 1967.

Amendment No. 4 to this contract provided that the work under the contract shall be suspended during the period beginning December 17, 1966, and ending not later than July 1, 1967.

The Operator has claimed costs for work performed under the contract during the period July 10, 1966, through December 17, 1966, which amount to $24,255.08. Claimed costs aggregating $1,969.12 have been disallowed by the Field Officer, OME, Region I, Spokane, Washington, leaving accepted costs for Government participation amounting to $22,285.96. The Government's proportion of the latter, on the 62½ percent basis stated in the contract, amounts to $13,928.73 of which $13,728.73 has been paid to the Operator. An amount of $200.00 has been withheld from settlement pending resumption of the exploration work.

A list of disallowances by the Field Officer follows:

Item Actual Costs		Amount Disallowed
Bulldozing access roads, trenches, and drill sites		
D-8 H-46A Caterpillar:		
Claimed cost - 109 hours @ $30.00/hour	$3,270.00	
Accepted cost - 75 hours @ $30.00/hour	2,250.00	$1,020.00

Item Actual Costs		Amount Disallowed
D-6 Caterpillar:		
Claimed and disallowed:		
17 hours @ $14.00/hour	$238.00	
Transportation to site and return	186.52	$ 424.52
Plug drilling, Drill holes Nos. 1 and 2:		
First 9.5 feet in each - 19 feet @ $8.00/foot		152.00
Drilling hole No. 11:		
Claimed cost - 451 feet	$3,289.75	
Accepted cost - 450 feet	3,282.50	7.50
Salary of supervisor		
Claimed cost - 3 months plus @ $750.00/mo.	$2,569.60	
Accepted cost - 3 months @ $750.00/mo.	2,250.00	319.60
Fixed Unit Costs		
Sample sacks:		
Claimed cost - 186 sacks @ 25¢/each	$46.50	
Accepted cost - 160 sacks @ 25¢/each	40.00	6.50
Assays for gold and silver:		
Claimed cost - 93 assays @ $3.00/each	$279.00	
Accepted cost - 80 assays @ $3.00/each	240.00	39.00
Total Field Officer disallowances		$1,969.12

We concur with the disallowance of $7.50 for the extra one foot of drilling in Hole No. 11 because of Amendment No. 3 which authorized that the hole be drilled "not to exceed 450 feet."

We also concur in the disallowance of $319.60 for supervisory salary for which the Government's participation is limited by the terms of the contract to 3 months at $750.00 per month. The items of payroll taxes and employee's liability insurance are based on total compensation paid and the amount of Government participation in these items should

be reduced in proportion to the reduction in the salary allowance, i.e., $18.22 and $33.19, respectively, should be disallowed.

The Operator's reimbursement voucher for July 1966 is supported by a copy of an invoice from American Gold and Silver Company which includes a charge for 109 hours of dozer work at $30.00 per hour. The Operator's narrative report for that month states that work was performed on the access roads and the trenches provided for in the contract, as follows:

Access roads	12.5 hours
Trench OME-1	20.5 "
" " 2	28.0 "
" " 3	(a)
" " 4	6.0 "
" " 5	11.5 "
" " 6	2.5 "
Total	81.0 "

(a) The dozer was moved from this trench after one hour to Trench R, not authorized under the contract.

The Field Officer allowed Government participation in the cost of 75 hours at $30.00 per hour on the basis that the number of hours stated in the contract was a maximum for Government participation. Under provisions of the exploration contract, the total of category (1) Independent Contracts, and the average unit cost estimated for each type of work to be performed are maximums. The number of units (hours in this instance), are not a maximum and may be exceeded if found to be "reasonable and necessary." Thus, it would appear that the Operator

is entitled to Government participation in an additional 6 hours of cost of dozer work at $30.00 per hour.

According to copy of Idaho Construction Co., Inc., invoice attached to August 1966 reimbursement voucher that company performed 21 hours of dozer work for the Operator at $14.00 per hour plus cost of transporting the dozer to and from the job. The Operator's narrative report states that 17 dozer hours prepared 14 drill sites at a cost of $424.52 (17/21 of $524.40 charged by Idaho Construction Co.). The cost of $24.91 per hour of dozer work does not exceed the $30.00 per hour rate allowed by the contract. The contract contemplated dozing of drill sites and it would appear that the Operator is entitled to Government participation in such costs aggregating $424.52.

The drilling applicable to this exploration during the period September 2, 1966, through December 16, 1966, was performed by Justice Core Drilling Co. Invoices from the drilling contractor have been based on unit rates which were generally less than the maximum rates, and never more than the maximum rates, allowed for Government participation as set forth in the exploration contract. Settlements with the Operator have been based on the billings by the drilling contractor.

The drilling contractor's invoice dated September 20, 1966, included 9.5 feet of "plug" drilling at $8.00 per foot for hole No. 1 and a

similar charge for hole No. 2. All other holes contain charges for "overburden" drilling at $9.50 per foot for the first few feet from the surface. The contract allows a maximum of $12.40 per foot for overburden drilling. The Field Officer has disallowed 19 feet of plug drilling in holes 1 and 2 at $8.00 per foot totalling $152.00 for the reason that the contract does not specifically provide for "plug" drilling. It would appear that the 19 feet of drilling was "reasonable and necessary" to penetrate the overburden and that the amount of $152.00 should be allowed for Government participation.

The disallowances by the Field Officer of $6.50 for 26 sample sacks and $39.00 for 13 assays for gold and silver are improper. The contract provides that the rates set forth for items of Fixed Unit Costs are maximums; however, the estimated number of units are not maximums and may be exceeded provided that the total allowable cost of the work, which is a maximum, is not exceeded.

Our findings are that disallowances based on number of units of work performed are improper and that the excess number of the various units claimed were "reasonable and necessary" in the performance of the exploration work as provided in the contract. We recommend that the Government's participation in the exploration costs for the period prior to the recess in the work should be increased as follows:

Item	Amount
Bulldozing access roads and trenches 6 hours @ $30.00/hour	$180.00

Item		Amount
Bulldozing drill sites		
17 hours @ $14.00/hour plus cost of transportation to and from the job		$424.52
Plug drilling		
19 feet @ $8.00/foot		152.00
Sample sacks		
26 sacks @ $.25/each		6.50
Assays		
13 assays @ $3.00/each		39.00
Less:		
Payroll taxes	$18.22	
Employee's liability insurance	33.19	(51.41)
Net additional costs for Government participation		$750.61
Government participation - 62½ percent		$469.13

C. E. Fisher

C. E. Fisher, Auditor

Reviewed by:

Dwight E. Savage

Dwight E. Savage, Office of Survey and Review

Government's copy

EXPLORATION CONTRACT
SIDNEY MINING COMPANY
OME-6481

TERMINATION AGREEMENT

It is agreed this 13th day of August, 1968, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, U. S. Geological Survey, hereinafter called the "Government," and Sidney Mining Company, a corporation, hereinafter called the "Operator," parties to that certain Exploration Contract No. 2215 (OME-6481), dated February 28, 1966, as amended, hereinafter called the "Contract," that:

1. Effective December 17, 1966, the Contract and all obligations of the parties thereunder, except as herein expressly provided, shall be and are hereby terminated.

2. The Government shall contribute only to the allowable costs incurred under the contract prior to December 17, 1966.

3. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including furnishing to the Government three copies of a final report (in addition to the final monthly report). The final report shall include a summary of the work performed and the related costs thereof, 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, including complete assay data (or referring to that previously submitted), geological and engineering maps or sketches and reports.

4. All rights of the Government respecting certification of possible production, the payment of royalties on production and liens on the land securing the payment thereof, reports (including preservation of the Operator's records), accounts, audits, and the right to recover any overpayment, are hereby preserved.

5. The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said Contract except as otherwise provided in this termination agreement.

IN WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By Thomas E. Johnson
Chief, Office of Minerals Exploration
U. S. Geological Survey

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App'd. Sol. Off.
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Johnson
Peterson

SIDNEY MINING COMPANY

By M C Brown

Title President

SURNAME COPY

8/2/68

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August 2, 1968

Memorandum

To: The File

From: Assistant Chief, Office of Minerals Exploration

Subject: OME-6481 (Gold-Silver)
Sidney Mining Company
Cook Claims
Owyhee County, Idaho
Contract 2215

Justification for Termination of Contract

The purpose of this project was to explore by trenching and diamond drilling for gold-silver-bearing ore bodies in veins possibly associated with faults in areas where exploration targets had been determined by soil sampling.

Six trenches, and sixteen diamond drill holes totalling 3,200 feet were provided for by the contract at a total estimated cost of $40,208.00, with the Government's share at 62½ percent totalling $25,130.00.

Approval costs for work performed under the contract during the period July 10, 1966 - December 17, 1966, as determined by audit issued June 1967, totalled $23,036.57, with the Government's share totalling $14,397.86, of which $200.00 has been withheld from payment pending either resumption of work on the contract or submittal of a final report.

No economically important ore bodies were found by the work completed on the contract. The Operator subsequently proposed to test another area on the property by trenching and drilling. Funds remaining in the contract would be used for this work. A proposed Amendment No. 6 was prepared, but the Operator returned it unsigned on January 10, 1968, because later work had shown depth of overburden to be much greater than originally estimated and, therefore, estimated costs in the amendment were much too low. On March 22, 1968, the Operator submitted assay data of samples from trenches on adjacent claims showing extremely low values in silver and gold.

Instructions to include surface reclamation in each OME contract were issued in May 1968. This additional operation in the work contemplated in proposed Amendment No. 6 would have increased costs to $7,795.00 from the original estimate of $3,540.00.

Because of low values in gold and silver obtained from the trenches near the proposed target area, the Government concluded that similar low values could be expected from trenches in the proposed target area, and that the additional cost ($3,540.00 vs. $7,795.00) of the work would not be warranted. Instead, a proposal to drill a few drill holes under the target area was discussed with the Operator. The proposal was rejected by the Operator, and the contract, therefore, is to be terminated because no prospective targets remain to be explored.

Harold Kirkemo

Harold Kirkemo

cc: Director's Reading File
Economic Geology File
OME Docket
OME Reading File
Mr. Kirkemo

HKirkemo/gla 8-2-68

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS E[illegible]ORATION

TO:	DATE	INITIALS
1. Chief, OME	7/27/67	
Re: OME-6481 (Gold-Silver)		
2. Sidney Mining Company		
Cook Claims		
3. Owyhee County, Idaho		
Contract 2215		
4.		
D. R. MacLaren		
5. D. R. MacLaren		
FROM: Field Officer, Reg. I		

OFFICIAL MAIL RECEIVED JUL 31 1967 INITIALS CODE

FOR: Check items for action desired

X Action ____ Reply for signature ~~of 110~~ 120 M

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature file

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS: Attached are the Government and Budget and Finance copies of Amendment No. 5 to the above-cited contract.

INT.-DUP. SEC., WASH., D.C. M56300-62

Government's copy

EXPLORATION CONTRACT
SIDNEY MINING COMPANY
OME-6481

Amendment No. 5

It is agreed this 21st day of July, 1967, between the United States of America acting through the Department of the Interior, U. S. Geological Survey, hereinafter referred to as the "Government" and Sidney Mining Company, hereinafter referred to as the "Operator" that Exploration Contract No. 2215 (OME-6481), dated February 28, 1966, as amended, is further amended effective June 30, 1967, as follows:

1. The period fixed in Amendment No. 4 to the Contract for suspension of work under the contract is further extended to October 1, 1967.

2. The date fixed in Amendment No. 4 to the Contract for completion of the work is further extended from eighteen (18) to twenty-two (22) months or to December 28, 1967.

This amendment shall not be construed to increase the estimated total cost of the contract, the aggregate amount which the Government may be required to contribute nor the fixed unit cost of any item of work.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
Chief, Office of Minerals Exploration
U. S. Geological Survey

SIDNEY MINING COMPANY

By M C Brown

Title Pres.

Long
Johnson
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Government's Copy

EXPLORATION CONTRACT
SIDNEY MINING COMPANY
OME-6481

Amendment No. 4

It is agreed this 19th day of January, 1967, between the United States of America acting through the Department of the Interior, U. S. Geological Survey, hereinafter referred to as the "Government," and Sidney Mining Company, hereinafter referred to as the "Operator," that Exploration Contract No. 2215 (OME-6481), dated February 28, 1966, as amended, is further amended effective August 27, 1966, as follows:

1. (A) Work under the contract shall be suspended during the period beginning December 17, 1966, and ending not later than July 1, 1967.

(b) No costs incurred by the Operator during the period of the suspension shall be allowable for contribution by the Government.

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

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

2. The time fixed for completion of the work is extended from six (6) to eighteen (18) months from the date of the contract or to August 28, 1967.

3. The maximum period for royalty payments and for the lien to secure payments thereof provided for in the contract is extended from ten (10) to eleven (11) years from the date of the contract.

This amendment shall not be construed to change the estimated total cost of the contract, the aggregate amount which the Government may be required to contribute, the amount of any category designated as a maximum, nor the fixed unit cost of any item of work.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
Chief, Office of Minerals Exploration
U. S. Geological Survey

Long

Atty. Int. Off.
Johnson
Kielgaard
Ulrich

SIDNEY MINING COMPANY

By M C Brown

Title Pres.

Government's copy

EXPLORATION CONTRACT
SIDNEY MINING COMPANY
OME-6481

AMENDMENT NO. 3

It is agreed this 2nd day of December, 1966, between the United States of America acting through the Department of the Interior, U. S. Geological Survey, hereinafter referred to as the "Government," and Sidney Mining Company, hereinafter referred to as the "Operator," that Exploration Contract No. 2215 (OME-6481), dated February 28, 1966, as amended, is further amended effective the date of the contract as follows:

In Exhibit A:

1. Under the heading Description of the Work, the last paragraph is deleted and the following paragraph substituted therefor:

Depending upon the results of the trenching, not to exceed sixteen diamond core holes at sites selected by mutual agreement between the Operator and the Government shall be drilled to depths of approximately 200 feet. Where topographic considerations and/or effects of oxidation warrant, no more than three of these holes may be drilled to depths not to exceed 450 feet.

2. Under the heading Estimated Cost of the Work, Actual Costs, Category (1) Independent Contracts, Drilling, the fourth item is deleted and the following items substituted therefor:

Reaming, 200 feet @ $2.50/foot	$ 500,00
Casing, 1,200 feet @ $1.25/foot 1/	1,500.00

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

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
Chief, Office of Minerals Exploration
U. S. Geological Survey

SIDNEY MINING COMPANY

By M C Brown

Title President

Johnson
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Kilogaard
Klepper

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
1/23		110
11/23/66	Kirkham	120
		220

November 23, 1966

Memorandum

To: The File

From: Chief, Office of Minerals Exploration

Subject: OME-6481 (Gold-Silver)
Sidney Mining Company
Cook Claims
Owyhee County, Idaho
Contract 2215

JUSTIFICATION FOR AMENDMENT NO. 3

The contract provides for drilling to depths of approximately 200 feet. Oxidation has been found to exist to greater depths than anticipated; therefore, in order to reach the sulphide zone greater depths are required for some holes. Also, changes in locations of holes have resulted in greater depths being required for some holes to reach the objective.

The depth of overburden also has been found to be greater than anticipated and the broken and ravelly nature of the rock has required a greater proportion of casing than originally estimated.

The proposed amendment to cover the foregoing changed conditions is in the interest of both parties, and will not increase the cost of the project.

Frank E. Johnson
Frank E. Johnson

cc: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File

FEJohnson/gla 11-22-66

Government's copy

EXPLORATION CONTRACT
SIDNEY MINING COMPANY
OME-6481

AMENDMENT NO. 2

It is agreed this 6th day of September, 1966, between the United States of America acting through the Department of the Interior, U. S. Geological Survey, hereinafter referred to as the "Government" and Sidney Mining Company, hereinafter referred to as the "Operator," that Exploration Contract No. 2215 (OME-6481), dated February 28, 1966, as amended, is further amended effective the date of the contract as follows:

In Annex I, the following claims are added to and become part of the land referred to in Article 2 of the contract:

Two unpatented claims, Cook No. 49 and Cook No. 50, located by the Operator, and recorded in the Records of Owyhee County, State of Idaho, Book 27, pages 409 and 410, respectively.

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

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Harold Kirkemo
Chief, Office of Minerals Exploration

SIDNEY MINING COMPANY

By M C Brown

Title President

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Government's copy

EXPLORATION CONTRACT
SIDNEY MINING COMPANY
OME-6481

AMENDMENT NO. 1

It is agreed this 10th day of June, 1966, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, U. S. Geological Survey, hereinafter referred to as the "Government," and Sidney Mining Company, hereinafter referred to as the "Operator," that Exploration Contract No. 2215 (OME-6481), dated February 28, 1966, is amended as follows:

In Exhibit A, under the heading General Provisions, the second paragraph is deleted and the following paragraph substituted therefor:

> Necessary access roads and drill sites shall be prepared and all trenches excavated to bedrock by using a D-9 Caterpillar bulldozer with ripper, D-8 H-46A Caterpillar with ripper, or equivalent equipment of another make. The approximate locations of the trenches are indicated on the attached Plate 1, "Plan of Cook Claims."

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

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Francis E. Johnson
Chief, Office of Minerals Exploration

SIDNEY MINING COMPANY

By M C Browne

Title Pres.

Long

App'd. on. Jr.

Johnson
Kikhemo
Kulsgaard
Klepper

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
		110

May 31, 1966

Memorandum

To: The File

From: Chief, Office of Minerals Exploration

Subject: OME-6481 (Gold-Silver)
Sidney Mining Company
Cook Claims
Owyhee County, Idaho
Contract 2215

Justification for Amendment No. 1

The D-9 Caterpillar bulldozer and ripper specified in the original contract is no longer available, but a D-8 H-46A Caterpillar bulldozer with ripper is available at the same cost. The latter is a more recent model and is reported to be faster in operation with superior performance than the older D-9 model.

It is in the interest of the Government to amend the contract to permit the substitution of the newer equivalent or superior model for the D-9 model specified in the contract at the same cost rate per hour.

Frank E. Johnson

Frank E. Johnson

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File

FEJohnson/mm (5/31/66)

23263

MME Form 50
July 1965

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
U. S. GEOLOGICAL SURVEY

Government's Copy

EXPLORATION CONTRACT
(Long Form)

Docket No.	Commodity	Cont. No.	County	State
OME-6481	Gold-Silver	2215 ~~14-08-090~~	Owyhee	Idaho

It is agreed FEB 28 1966 (Date), between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and

Sidney Mining Company, a corporation organized in the State of Idaho

whose mailing address is 102 First Security Bldg., Kellogg, Idaho 83837, 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 June 1, 1966 (Date), and, subject to the provisions of Article 9 and Exhibit A, shall either have completed the work within 6 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 $ 40,208.00. The Government will contribute 62-1/2 percent of the allowable costs as they are incurred, in a total sum not in excess of $ 25,130.00 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 at the rate of 6-3/4 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 right in land.--(a) The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's right of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances:

See Annex I

(b) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above and (if the Operator does not hold the legal title) the lien agreement of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached as follows:

See Annex I

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

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

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

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

(Forms for reporting under (1) and (2) above will be provided by the Government; however, the original of the Operator's Monthly Voucher shall be supported by documentary evidence, such as certified copies or transcripts of payrolls and invoices, for all costs claimed under Article 6 (a) (1).)

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

(e) Compliance with requirements.--If the Government determines that any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the preparation or completion of 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.--In addition to the limitations imposed by paragraph (a) of this Article 6 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. The 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 retains his interest in the land), shall pay to the Government a royalty on all minerals and metals mined or produced from the land as follows:

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

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

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

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

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

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

(e) Lien for payment.--To secure the payment of royalty (see Article 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 or producer 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 or producer.

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

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

ARTICLE 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.

ARTICLE 12. Nondiscrimination in Employment. The provisions respecting nondiscrimination in employment which are required by section 301 of Executive Order 10925, dated March 6, 1961 as amended and supplemented are attached hereto as Exhibit B and are hereby incorporated in and made a part of this contract.

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

The term "Director, U. S. Geological Survey," as used herein includes his duly authorized representative.

ARTICLE 14. Work Hours Act of 1962 - Overtime Compensation.--This contract, to the extent that it is of a character specified in the Work Hours Act of 1962 (Public Law 87-581, 76 Stat. 357-360) and is not covered by the Walsh-Healey Public Contracts Act (41 U.S.C. 35-45), is subject to the following provisions and to all other provisions and exceptions of said Work Hours Act of 1962.

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

(b) Violations; liability for unpaid wages; liquidated damages.--In the event of any violation of the clause set forth in subparagraph (a) of this paragraph, the Operator and any subcontractor responsible therefor shall be liable to any affected employee for his unpaid wages. In addition, such Operator and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for

liquidated damages. Such liquidated damages shall be computed, with respect to each individual laborer or mechanic employed in violation of the clause set forth in subparagraph (a) of this paragraph, in the sum of $10 for each calendar day on which such employee was required or permitted to work in excess of eight hours or in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in subparagraph (a) of this paragraph.

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

ARTICLE 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 provision.--

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

SIDNEY MINING COMPANY
(Operator)

By M C Brown

Title President

By Arthur A Baker
Acting Director, U.S. Geological Survey

Long
Appd. Sol. Off.
Johnson
Kilgaard
Inv. Chief

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

Ben Smith

[CORPORATE SEAL]

EXPLORATION CONTRACT
SIDNEY MINING COMPANY
OME-6481

ANNEX I

The land, including all rights pertaining thereto, referred to in Article 2 of the contract consists of 48 unpatented claims, known as the Cook group, and one-half interest in five unpatented claims lying within the Cook group, all in parts of secs. 2, 3, 10, and 11, T. 5 S., R. 4 W., B.M. in the Carson mining district, Owyhee County, Idaho.

The wholly-owned Cook group comprises the Cook 1 to Cook 48 claims, inclusive, recorded in the records of Quartz Locations of Owyhee County at the County Courthouse, Murphy, Idaho, in Book 26, pages 377 to 424, inclusive. These claims are held by the Operator under deeds executed by Ben and Hazel Smick and by M. C. and Nancy Brown, recorded in Book 57 of Deeds of said county, at pages 321 and 324, respectively.

The five claims in which the Operator has a one-half interest are the Oregon No. 1, Oregon No. 2, Spitfire, Red Cloud, and Ajax, recorded in Book 26, pages 17, 19, 21, 23, and 345, respectively. The one-half interest in the claims is held by the Operator under deed executed by Paul Freed, and recorded on page 225, Book 58 of Deeds, Owyhee County, Idaho.

Lien and Subordination Agreements executed by the owners of the one-half interest in the above five claims not held by the Operator are attached hereto and made a part hereof.

Claims pertaining to the contract are shown on the attached Plate 1, entitled "Plan of Cook Claims".

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 Owyhee, State of Idaho,

described as follows:[2] Oregon No. 1, Oregon No. 2, Spitfire, Red Cloud, and Ajax claims recorded in Book 26, pages 17, 19, 21, 23, and 345, respectively recorded in the records of Quartz Locations of Owyhee County at the County Courthouse, Murphy, Idaho.

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

Sidney Mining Company[3],

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

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

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

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

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

None

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

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

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

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

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

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

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

Dated this 15th day of March, 1966.

M. L. Page (Seal) 291 E. 6th (Street) Prineville (City &) Oregon (State)

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

(Seal) (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
SIDNEY MINING COMPANY
OME-6481

EXHIBIT A

The purpose of this contract is to explore by trenching and surface diamond drilling for gold-silver deposits in northwesterly striking veins near east-west faults in anomalous areas indicated by soil sampling.

General Provisions

No work shall be performed at locations within 200 feet of the exterior boundaries of the property.

Necessary access roads and drill sites shall be prepared and all trenches excavated to bedrock by using a D-9 Caterpillar bulldozer with ripper or equivalent equipment of another make. The appropriate locations of the trenches are indicated on the attached Plate 1, "Plan of Cook Claims".

All significant mineralization in the trenches shall be sampled at intervals of five feet across the strike of the mineralized structures. Each sample shall be split and one split assayed for gold and silver. The other split shall be retained for possible use by the Government.

Based upon the results of the trenching, diamond core holes shall be drilled at locations to be agreed upon in advance by the Operator and the Government.

All holes shall be cased through overburden and then continued with standard BX core size (1-5/8" diameter) or equivalent wireline size. The holes may be reduced to standard AX core size (1-1/8" diameter) or equivalent wireline size.

Significantly mineralized core shall be split and one split assayed for gold and silver. The other split shall be properly stored in sequence with the unmineralized core. No sample shall represent a core length of greater than five feet.

Facilities shall be provided for recovering diamond drill sludges and sludge samples shall be retained when drilling in significantly mineralized formations.

Core from the diamond drilling shall be properly boxed and marked as to source and location. A split of the sludge and core segment samples shall be stored in a suitable container also properly identified as to source and location. The stored core and sludge samples shall be retained for Government inspection and possible use. With prior Government approval the Operator may dispose of the core and sludge samples.

True copies of assay certificates of all samples shall be submitted with the Operator's monthly report which shall also include a map or sketch showing the work completed during the reporting period and the locations of all samples taken. The map or sketch should also show the general geological formations and structures traversed by the drill holes.

All drill holes shall be logged geologically and copies of the logs of the completed holes shall likewise be submitted with the Operator's monthly report.

The Operator shall provide such supervisory and technical services as may be required to complete the work in a satisfactory manner. The Government will contribute only to that portion of monthly salaries representing the time spent on the project work by the various employees.

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

Description of the Work

The work shall consist of bulldozing necessary access roads, six trenches, and sixteen drill sites, and drilling sixteen diamond core holes.

The trenches shall be located approximately as indicated on Plate 1, as follows:

Trench 1 shall be located approximately 200 feet northwesterly of cut "D" and shall be approximately 350 feet in length extending in a northeast-southwesterly direction.

Trench 2 shall be located approximately 250 feet northwesterly of Trench 1 and shall be approximately 400 feet in length extending in a northeast-southwesterly direction.

Trench 3 shall be located approximately 400 feet northwesterly of Trench 2 and shall be approximately 350 feet in length extending in a northeast-southwesterly direction.

Trench 4 shall be located approximately 400 feet due north of the end of the dead end spur road near cut "O" extending approximately 250 feet westerly, more or less parallel to the north boundary of the Oregon group of claims.

Trench 5 shall be started approximately 125 feet east of the portal of Tunnel "B" and extended approximately 200 feet to the east.

Trench 6 shall be located approximately 2,750 feet east of the northwest corner of the Cook group of claims extending approximately 200 feet east, more or less parallel to the northern boundary of the Cook group of claims.

Reasonable variance from the above descriptions of the trenches, depending upon topographical and geological features, may be made by the Operator with the prior approval of the Government.

Depending upon the results of the trenching, not to exceed sixteen diamond core holes shall be drilled to depths of approximately 200 feet at sites selected by mutual agreement between the Operator and the Government. The locations, directions, and attitudes of all drill holes shall have prior approval of the Government.

Estimated Cost of the Work

Actual Costs

Category (1) Independent Contracts

Bulldozing

Mobilization and demobilization of bulldozer	$ 400.00	
Bulldozing access roads, trenches, and drill sites, 75 hours @ $30.00/hour	2,250.00	

Drilling

Mobilization and demobilization of drill	1,200.00	
Overburden, 80 feet @ $12.40/foot	992.00	
Diamond core, 3,200 feet BX standard core size @ $8.75/foot or AX standard core size @ $8.10/foot	28,000.00	
400 feet reaming and casing @ $5.00/foot 1/	2,000.00	
50 hours cementing @ $12.00/hour	600.00	
400 feet drilling out cement @ $1.50/foot	600.00	
48 sacks lumnite cement @ $6.75/sack	324.00	
		$36,366.00

Category (2) Personal Services

None except:

Subcategory (a) Supervision and Technical Services

1 Supervisor-engineer-geologist 3.0 months @ $750.00/month	$ 2,250.00	$ 2,250.00

Category (7) Miscellaneous

None except:

F.I.C.A. and other insurance @ 15% (rounded to)	$ 340.00	$ 340.00
Total Estimated Actual Costs 2/		$38,956.00

Fixed Unit Costs

Incidental cost for each foot of drill hole 3,200 feet @ $0.21/foot	$ 672.00	
300 core boxes @ $1.00/each	300.00	
160 sample sacks @ $0.25/each	40.00	
80 assays for gold and silver @ $3.00/assay	240.00	
Total Estimated Fixed Unit Costs		$ 1,252.00
Total Estimated Cost of Project		$40,208.00

1/ The Government will not contribute to the cost of casing left in place at the request of the Operator.

2/ Includes all costs whatsoever that would be allowable costs under Categories (3) through (7).

SUMMARY

Total Estimated Actual Costs	$38,956.00
Total Estimated Fixed Unit Costs	1,252.00
Total Estimated Cost of Project	$40,208.00
Government Participation @ 62½%	$25,130.00

EXHIBIT B

NONDISCRIMINATION IN EMPLOYMENT

(Section 202, Executive Order 11246, September 24, 1965)

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

'(1) The contractor will not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this 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 labor union or workers' representative of the contractor's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, 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. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
'(5) The contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
'(6) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be cancelled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
'(7) The contractor will include the provisions of Paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, That in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.'"

M. C. BROWN, President
E. K. BARNES, Vice President
BEN SMICK, Secretary-Treasurer

Sidney Mining Company

102 Weber Bank Building
KELLOGG, IDAHO
83837

December 13, 1965

Mr. Donald MacLaren, Field Officer
Office of Minerals Exploration
157 South Howard Street
Spokane, Washington

Re: OME-6481 (Gold & Silver)
Sidney Mining Company
Cook Claims
Owyhee County, Idaho

Dear Mr. MacLaren:

We are enclosing herewith addenda to Sections 3. f. and 3. g. of our application, and a report on reconnaissance soil sampling of the Silver City region. Please return the latter when you are thru with it.

I am going away for a week but will try to get in to see you before Christmas.

Sincerely,

M. C. Brown

M. C. BROWN
President

jh
Enclosures

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DEC 14 1965
OME
SPOKANE, WASHINGTON

Sidney Mining Company
102 First Security Bldg.
Kellogg, Idaho 83837

OME-6481
December 2, 1965

3. f. (Addenda) Because the question has arisen regarding the magnitude of the geochemical anomalies on the Cook Group relative to the background or trend of the general area we are submitting herewith two copies of a report (Brown Report, December, 1965) (Exhibit 3.g-I) covering a geochemical reconnaissance of the whole Silver City region. About 50 square miles were tested by sampling along available roads at intervals varying from 1,000 feet to ½ mile. Many more closely spaced samples were taken near the old productive mining areas and on the Cook Group. On Map I of the report the whole area, about 170 square miles, is divided into cells 4,000 feet square, 79 of which had one or more samples. All the samples taken in each cell were averaged to give values for the cell, which with the coordinates of the cell-center were used to develop plane trend surfaces for heavy metals, mercury and arsenic. Local deviations from the regional trend are detailed on Plates 3A, 4A, 4B and 5A.

The results shown on Map I indicate that the cells in which the major productive veins lie are adjacent to cells which average more than double the background trend in heavy metals, mercury and arsenic. Close spaced sampling in the vein zones shows that this broad halo effect tends to be repeated on a small scale within a few hundred feet of the veins. (Plates 3 and 4, Exhibit 3-g, Brown Report, April, 1965). We believe that the analogous picture on the Cook Group strongly supports our belief that the property contains undiscovered blind orebodies.

3. g. (Addenda) The Brown Report of December, 1965 is highly confidential and we wish to have both copies returned after your perusal.

However, the copies of Plates 3A, 4A, 4B and 5A attached hereto are to be retained as a supplement to our application.

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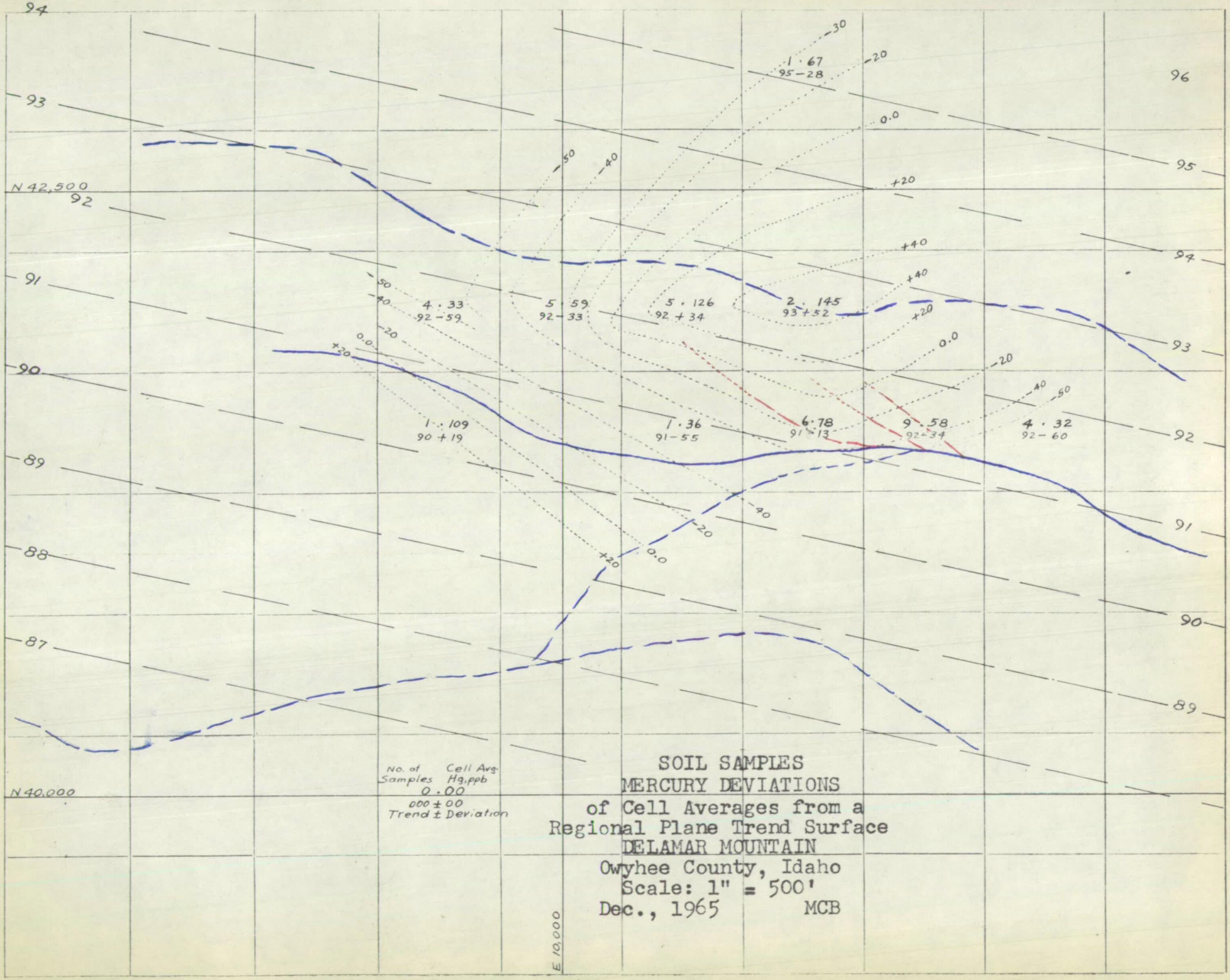
DEC 14 1965
OMB



SOIL SAMPLES
MERCURY DEVIATIONS
of Cell Averages from a
Regional Plane Trend Surface
DELAMAR MOUNTAIN
Owyhee County, Idaho
Scale: 1" = 500'
Dec., 1965 MCB

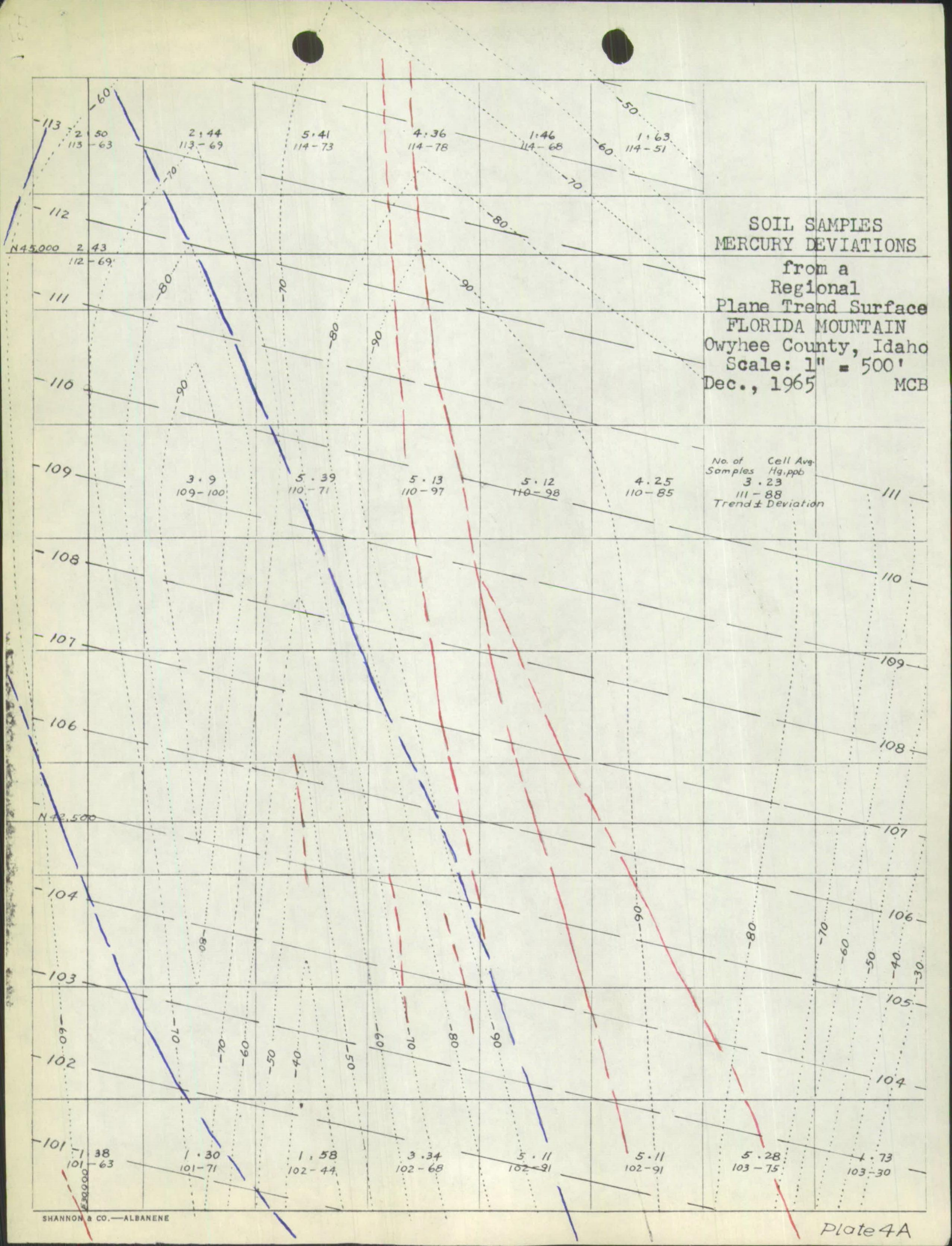
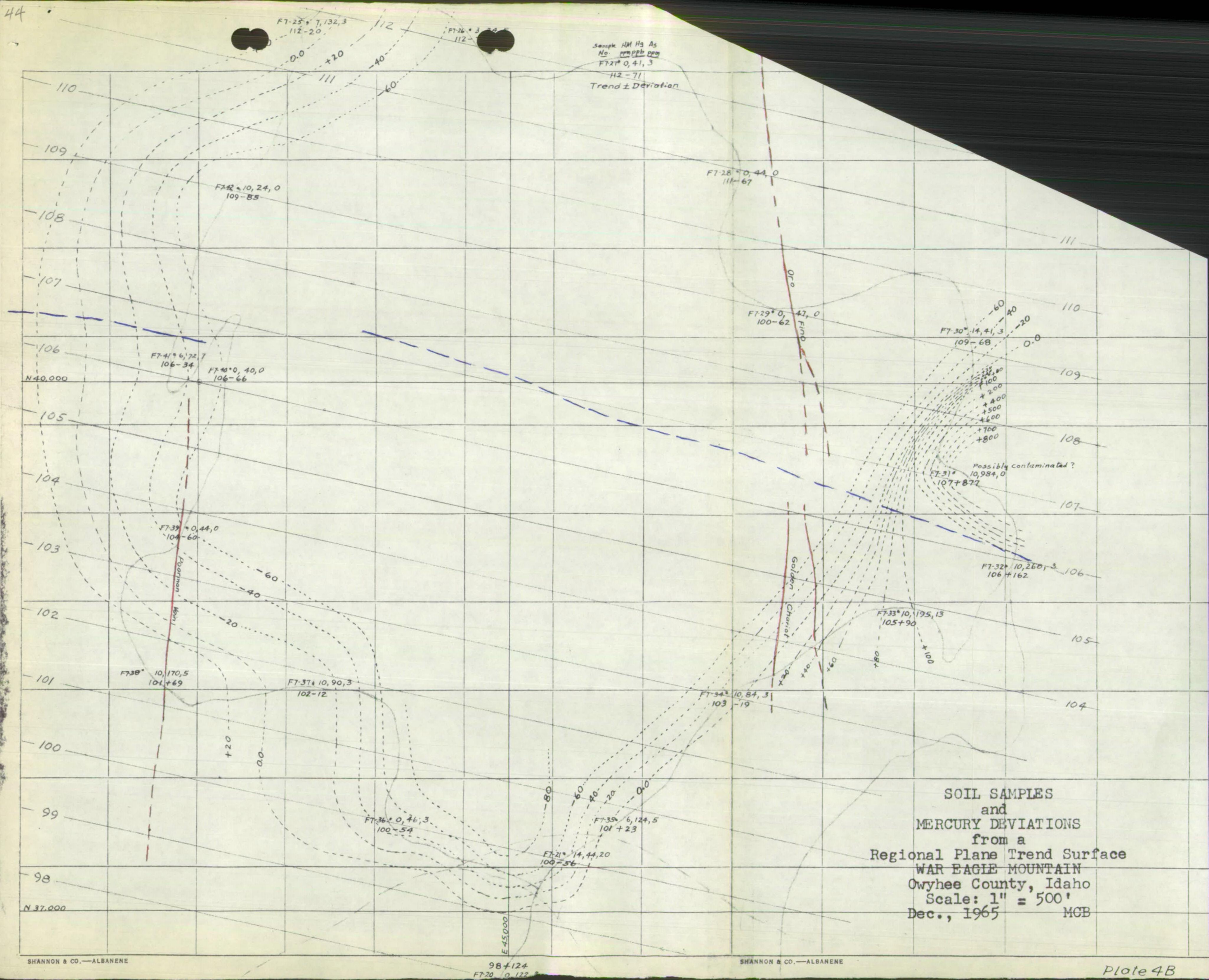
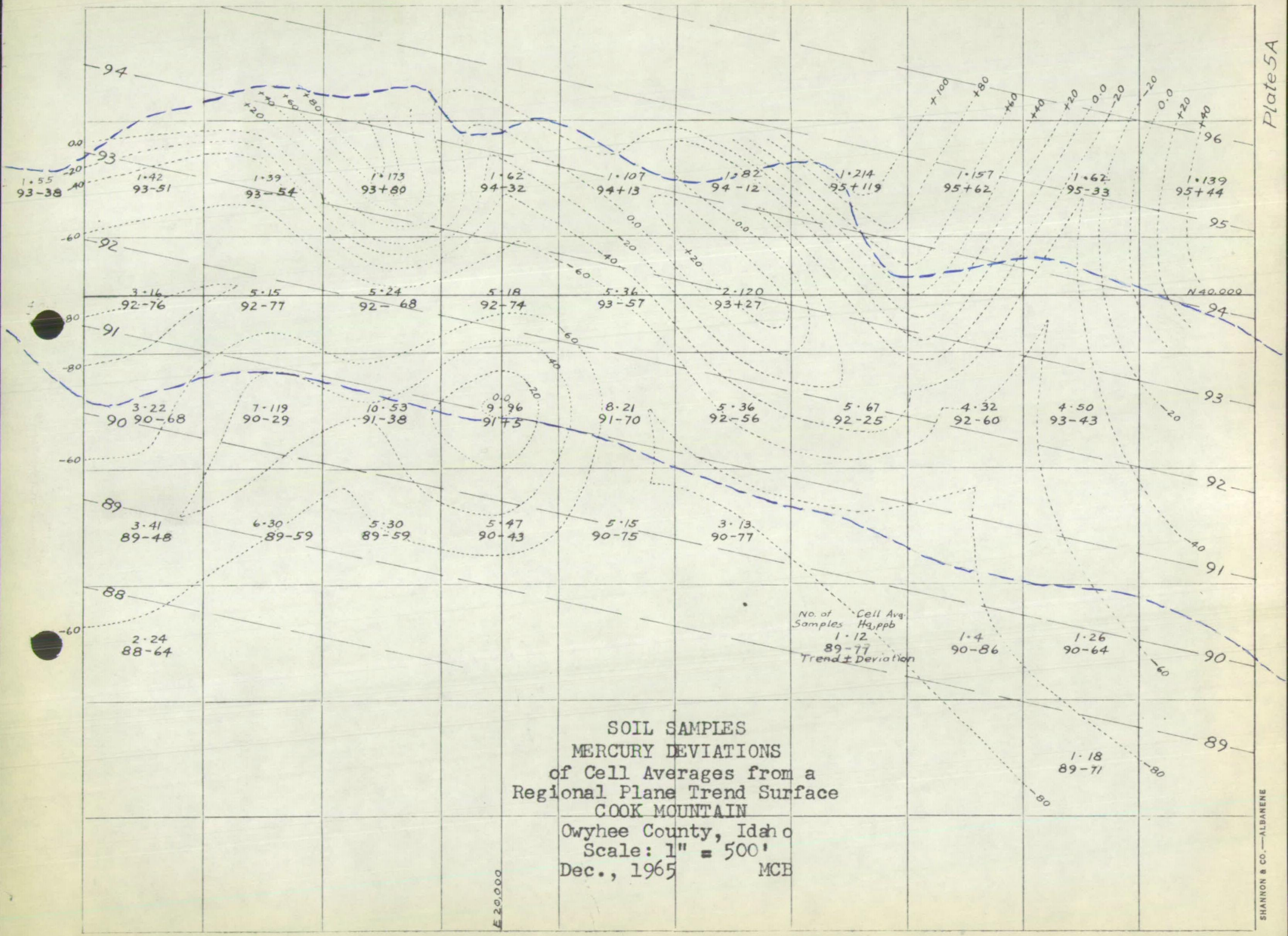

SOIL SAMPLES
MERCURY DEVIATIONS
from a
Regional
Plane Trend Surface
FLORIDA MOUNTAIN
Owyhee County, Idaho
Scale: 1" = 500'
Dec., 1965 MCB
No. of Samples
Cell Avg. Hg, ppb
3 . 23
111 - 88
Trend ± Deviation
2 . 50
113 - 63
2 . 44
113 - 69
5 . 41
114 - 73
4 . 36
114 - 78
1 . 46
114 - 68
1 . 63
114 - 51
N45,000 2 . 43
112 - 69
3 . 9
109 - 100
5 . 39
110 - 71
5 . 13
110 - 97
5 . 12
110 - 98
4 . 25
110 - 85
N42,500
1 . 38
101 - 63
1 . 30
101 - 71
1 . 58
102 - 44
3 . 34
102 - 68
5 . 11
102 - 91
5 . 11
102 - 91
5 . 28
103 - 75
1 . 73
103 - 30
E30,000
SHANNON & CO.—ALBANENE

Plate 4A



SOIL SAMPLES
and
MERCURY DEVIATIONS
from a
Regional Plane Trend Surface
WAR EAGLE MOUNTAIN
Owyhee County, Idaho
Scale: 1" = 500'
Dec., 1965 MCB

Plate 4B



SOIL SAMPLES
MERCURY DEVIATIONS
of Cell Averages from a
Regional Plane Trend Surface
COOK MOUNTAIN
Owyhee County, Idaho
Scale: 1" = 500'
Dec., 1965 MCB

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
September 28, 1965

OFFICIAL COPY
O. M. E.
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30 1965
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| 120M

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: OME-6481 (Gold-Silver)
Sidney Mining Company
Cook Claims
Owyhee County, Idaho

Enclosed are the following documents:

1. Letter dated September 27, 1965, from Malcolm C. Brown, president of the subject company.

2. Addenda to the subject application (9 pages).

3. A map and 12 sketches comprising Exhibits 3-a through 3-a-4-d.

4. Eight photocopies of assay certificates.

5. Three bids for bulldozer work.

6. Two bids for diamond drilling.

7. Financial statement for year ended December 31, 1964.

8. Balance sheet dated August 31, 1965.

Mr. Brown left this material at the Spokane office during the afternoon of September 27, 1965. It is presented in reply to your letter of August 17, 1965.

Brown stressed the point that the overburden in most areas is deeper than expected and that a D-7 dozer was unable to reach bedrock in several of the trenches that were excavated during the past summer. Hence, the dozer bids are for a D-9 with ripper.

D. R. MacLaren

D. R. MacLaren

Enclosures

SIDNEY MINING COMPANY
102 WEBER BANK BUILDING
KELLOGG, IDAHO

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SEP 30 1965
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September 27, 1965

Mr. Frank E. Johnson, Chief
Office of Minerals Exploration
Geological Survey
Department of Interior
Washington 25, D. C.

Re: OME-6481
Sidney Mining Company
Cook Claims
Owyhee County, Idaho
Your letter of August 17, 1965

Dear Mr. Johnson:

We are enclosing herewith addenda to our application with additional information compiled during this summer's assessment work. The data cite two instances confirming the projection of the Delamar fault, at least one confirming the projection of the Chatauqua fault and two more that may be the Chatauqua or another east-west fault. Between these east-west faults are seven instances of north to northwest striking fractures and there are four occurrences of north-striking structures north of the east-west fault zone.

The soil sample anomalies are not large by standards in some other districts, but they are larger and more widespread than those at either Delamar or Florida mountain. Furthermore the background level or trend in all three areas is higher than that in the intervening areas or in other parts of the surrounding region. Statistical analysis indicates that the deviations from the trend surfaces are truly anomalous.

Thirty-eight fire assays for gold and silver are submitted, few of which show significant values. We believe this must be expected, for if it were possible to get encouraging assays they would have been followed by discoveries 75 years ago. Soil sampling is our only chance to outwit the oldtime prospector.

An analysis of gold-silver ratio to be expected is presented. We believe that an error is made by giving double weight to Delamar production if it is averaged with the production of Carson mining district. According to Piper and Laney, Delamar was part of and its production was originally reported in, the Carson mining district.

We are enclosing copies of two bids from drilling contractors and three bids from bulldozer contractors.

Our most recent financial statement is also attached.

RECEIVED
SEP 27 1965
O M E
SPOKANE, WASHINGTON

Yours very truly,

M. C. BROWN
President

Sidney Mining Company
102 First Security Bldg.
Kellogg, Idaho 83837

OME-6481

2. a. (Addenda) In addition Sidney now owns outright an undivided one-half interest in the Ajax claim and the Oregon group of four claims by virtue of a deed executed by Paul Freed, a divorced man, recorded at page 225 of Book 58 of Deeds, of the records of Owyhee County, Idaho. There are no liens, mortgages or other encumbrances. Sidney will agree that, in the event of production from these five claims, it will pay out of its half of the proceeds the normal government royalty due on the total production from the said five claims.

b. (Addenda) The notices of location of the Ajax claim and the Oregon group are recorded in the records of Quartz Locations of Owyhee County, Idaho, as follows:

Claims	Book	Page
Oregon No. 1	26	17
Oregon No. 2	26	19
Spitfire	26	21
Red Cloud	26	23
Ajax	26	345

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Sidney Mining Company
102 First Security Bldg.
Kellogg, Idaho 83837

OME-6481

3. a. (Addenda) In the course of assessment work on the Cook Group during 1965 additional geologic data were obtained supporting the existence of both east-west faults and related northerly striking structures. Also, since then, a set of 1:24,000 preliminary field sheets with 40-foot contours was obtained from the USGS topographic field team working in the area. The highly accurate contours on these maps enabled us to make projections with much more confidence than the original projections on an enlargement of a 1:250,000 map. The following notes refer to the several maps attached hereto, marked Exhibit 3-a:

1. Evidence supporting the projection of the Delamar Fault:

The projection of the Delamar fault on the new topography is essentially identical with the old projection across the Cook Group except near the east and west sidelines. We believe we have uncovered it at two places which fall on this projection.

(a) In Cut E is a 75-foot wide zone of sticky brown to gray clay. During 1965 we deepened and extended Cut E to the northwest, and attempted to expose the westerly extension of this zone by excavating trenches "H" and "I". The depth of the overburden increases rapidly to the west (which is toward one of the possible vein zones indicated by soil samples) and the D-7 dozer was unable to dig deeper than 8 feet, which failed to expose bedrock. However, decreasing rhyolite fragments and increasing clay indicate the probable extension of the fault at the points shown on the map. (Exhibit 3-a-1-a)

(b) In Cut N at the Cook 1 location, more than 3000 feet east of Cut E, the Delamar fault is again indicated by at least 30 feet of brown streaked white gouge. The dark streaks appear to strike about N 60 W and dip 15-20 degrees southerly. Bleached rhyolite lies to the south of this zone and to the north gougy crushing continues for about 100 feet, terminating in an irregular alteration boundary with hard white rhyolite. This irregular footwall is also exposed in the east-west branch of the cut, suggesting a strike of about N 65 W. Irregular pods and streaks of brown and red iron oxides occuring thruout the crushed and altered zone indicate the former presence of pyrite, suggesting the "iron dike" of the early day miners. (Ehxibit 3-a-1-b)

2. Evidence supporting the projection of the Chatauqua Fault and another (?) east-west fault:

The new projection of the Chatauqua crosses the Cook Group with much more variance, ranging from 10 feet to nearly 600 feet south of the old projection. The exposure in Cut "O" is halfway between the old and new projections, making it very credible. At first we thought that two other indications (Cut "L" and Trench "K") were the Chatauqua, altho they were 200 to 500 feet north of the old projection, but they are even farther north of the new projection, so it is likely that they represent a diverging or nearly parallel east-west fault.

(a) We believe that the Chatauqua fault is indicated in Cut O on the Oregon claim, where 25 feet of gougy crushing striking N 60 W and dipping about 20 degrees southerly separates a medium grained basalt or diorite (?) on the north fron bleached, silicified rhyolite on the south. (Exhibit 3-a-2-a)

(b) Trench K indicates an east-west fault by exposing 15 feet or more of sticky green clay at the deepest point attained. Purplish rhyolite fragments lie north of this point and basalt south of the trench. The trench on the east of K is not deep enough to reach the green gouge, but also shows rhyolite in the northerly end and basalt to the south. On the other hand the trench on the west shows only basalt, so the float indicated stratigraphic rhyolite-basalt contact from the north probably passes between this trench and K. (Exhibit 3-a-2-b)

(c) About 1800 feet easterly the same (?) fault is again indicated in Cut "L" by 20 feet ofgougy crushing trending about N 85 W, separating basalt on the north from bleached rhyolite on the south. (Exhibit 3-a-2-c)

(d) A secondary bit of evidence supporting the projection of the Chatauqua fault is provided by what is locally called the "Rhyolite Plug". This mass of bleached and silicified rhyolite with prominent crumpling of the flow banding is practically the only rock outcrop in the central part of the Cook Group. Its northern boundary is followed precisely by the new projection of the Chatauqua fault. (Exhibit 3-a)

3. Evidence of north to northwest striking structures between the east-west faults:

(a) Cut D at the east end exposes what may be a fault contact striking N 50 W between rhyolite and basalt. The 20-foot zone of clay streaks along this contact may be due to slippage on a stratigraphic contact, perhaps accentuated by the interformation alteration described

by Lindgren(1900, p 137). Exposed in the basalt about 100 feet west of this contact in the same cut is a zone of fracturing 20 feet wide striking N 25 W and dipping about 70 degrees westerly, containing numerous siliceous stringers and pods of iron oxides resulting from the oxidation of pyrite. (Exhbit 3-a-1-a)

(b) The D-7 bulldozer was unable to expose firm bedrock in Cut F which was excavated in a rubble of mixed rhyolite and basalt fragments, separated from a zone solely of rhyolite boulders by a 4-foot zone of gray clay, striking northwest, near the southwest end of the cut. (Exhibit 3-a-3-b)

(c) Cut G exposes purplish gray rhyolite with two 35-foot wide zones of brownish clay, striking N 30 W, containing greenish-yellow lenses and streaks. These may be intensely altered dikes; some black unaltered fragments in the edge of the easterly one contain quartz phenocrysts and appear to be an acidic glass. (Exhibit 3-a-3-c)

(d) Trench J shows a 10-foot wide zone of intensely altered basalt striking about N 45 W, with pods of yellow and brown oxides. Hard black basalt occurs on the southwest side of this zone, but the alteration diminishes more gradually on the northeast side. (Exhibit 3-a-2-b)

(e) At M the location shaft of the Ajax claim shows 2 feet of gouge striking N 5 W and dipping 65 degrees east between gray rhyolite with a peculiar black-banded orbicular structure on the west and bleached silicified rhyolite on the east. A hundred feet northerly another pit on this same zone shows 6 feet of rhyolite jasperoid in the footwall of 2 feet of jasperoid breccia. (Exhibit 3-a-3-e)

(f) Just west of Cut "O" the creek bed exposes, and follows for 180 feet, a 5 to 10 foot zone of irregular shears 1"-12" wide striking about N 45 W and heavily stained with brown iron oxides. This zone joins obliquely a 25-foot wide dike or zone of bleached and softened white to light gray rhyolite striking N 20 W, with disseminations, blebs and stringers of pyrite mostly oriented transverse to the zone. (Exhibit 3-a-2-a)

(g) Near the south end of Cut L there is a 3-foot zone of gouge and crushing striking N 5 E and dipping 75 degrees west. (Exhibit 3-a-2-c)

Sidney Mining Company
102 First Security Bldg.
Kellogg, Idaho 83837

4. Evidence of northerly striking structures north of the east-west fault zone:

(a) At Tunnel A about 20 feet of the caved portal was removed by bulldozer during 1965, and most of the water drained. The tunnel appears to follow a northerly striking highly silicified rhyolite (?) dike with reticulated 1" to 12" gouge seams dipping westerly 65-80 degrees, separating it from propylitically altered basalt with much iron oxide on the footwall. The hanging wall is massive black basalt. Sparse sulfides appear in the quartz near the portal. Further significant detail may be obscured by the thick accumulation of brown slime which coats the walls and no attempt was made to map in the two feet of water backed up behind a second cave-in about 50 feet from the portal. (Exhibit 3-a-4-a)

(b) At P the Cook 40 location cut exposes only highly altered basalt, with much epidote, but 75 feet easterly from the location is a well-defined zone of float quartz, jasperoid and altered basalt fragments with blebs and stringers of iron oxide. This zone, striking due north, is 50 feet wide and about 200 feet long. No excavations have been made on it. (Exhibit 3-a-4-b)

(c) If the source of this float zone dips westerly, it may correlate with a less well defined northerly trending zone of bleached silicified rhyolite and altered basalt on the steep slope above and east of Tunnel B. An effort was made to open Tunnel B but the caved material continues between walls of massive basalt which the dozer could not remove. A backhoe or hand methods will be required to open this tunnel, which apparently was driven as a crosscut intended to tap the source of the float above. (Exhibit 3-a-4-c)

(d) No attempt was made to open Tunnel C, which clearly follows a nearly vertical fault striking due north between rhyolite on the west and a coarse grained basalt on the east with a left-lateral displacement of about 150 feet. On the dump are piles of greenish-white gouge, bleached rhyolite with gray quartz stringers, and soft brown altered basalt containing pockets of iron oxide and some pyrite. (Exhibit 3-a-4-d)

3. f. (Addenda) The data in 3.a. (addenda) cite two instances confirming the projection of the Delamar fault, at least one confirming the projection of the Chatauqua fault and two more that may be the Chatauqua or another east-west fault. Between these east-west faults there are seven instances of north to northwest striking fractures and there are four occurrences indicating the existence of north-striking structures north of the east-west fault zone, suggesting duplication of the structural pattern on Delamar and Florida mountains, respectively. We expect that the bulldozer trenching we have proposed will expose many more such structures and displacements which will explain the many sudden changes in rock formation indicated by float, only a few of which are indicated on Exhibit 3-a.

The soil sample pattern likewise duplicates that obtained over the productive vein zones on Delamar and Florida mountains in ways that we believe to be significant:

1. The productive vein zones are surrounded by a halo of high arsenic, with little or no arsenic in the zone.

2. The veins occur in zones of anomalously low mercury surrounded by anomalously high mercury halos.

3. Heavy metal anomalies occur in the vein zones.

The anomalies on the Cook Group are not large by standards in some other districts, but they are larger than those at either Delamar or Florida mountain, and spread over a greater area. Furthermore, the background level or trend in all three areas is higher than that in the intervening areas or in other places in the surrounding region. A primary principle of geochemical prospecting is to compare the data with that obtained over productive zones in the area being studied. Lastly, statistical analysis suggests that the anomalies are significant. For example, the F factor for the regression analysis of the mercury data (Brown Report, 1965, Plate 5) is $F = 5.392$, compared with $F_{0.95}(2,52) = 4.033$, indicating that there is less than a 5% probability that the trend could be due to chance along. Conversely it means that there is a 95% probability that the deviations are <u>not</u> due to chance alone and therefore are truly anomalous.

Few assays have been made and few of those show significant gold and silver values. We believe this must be expected for several reasons:

1. In an area almost entirely covered with deep soil and alluvial material there are few opportunities to find even float vein material to assay.

2. The few places where such float or exposures of vein-type material can be found are not in the promising areas indicated by the soil sample anomalies.

3. If available material gave really encouraging assays we would not now have this exploration opportunity, because the veins would have been discovered 75 years ago. It was for just such situations that the technique of geochemical prospecting by soil analysis was pioneered by the USGS. We believe the Survey deserves great credit and that here we have an almost ideal opportunity to demonstrate its utility.

The results of fire assays for silver and gold on 38 samples are tabulated on the 100-scale map sheets. Exhibits 3-a-1-a, 3-a-2-a, 3-a-2-b, 3-a-2-c, 3-a-3-c, 3-a-3-e, 3-a-4-a, 3-a-4-b, 3-a-4-d) Photocopies of the assay certificates are attached. (Exhibit 3f)

We expect to find ore which will average about 0.587 oz. gold and 25.7 oz. silver per ton, this being the average produced from the Trade Dollar-Blackjack and Delamar, the principal formerly productive mines immediately east and west, respectively, of the Cook area. This estimate is based on data from Piper and Laney, who in 1925 (Ida. Bur. Mines & Geology Bulletin 11) made a most careful and exhaustive study of the production from the area. They say (pp. 59-60) "In the Dewey mill of the Trade Dollar Consolidated . . . . . the ore treated contained 0.15 to 0.5 ounce of native gold per ton, and 20 to 50 ounces of silver". This averages 0.325 ounce gold and 35 ounces silver. ? On page 60 they say "At De Lamar . . . . . average content was 0.85 ounces native gold and 16.5 ounces silver". This is referring to milling ore and does not include the high silver "shipping ore " from Delamar. In the following tabulation the long term average silver price received by Trade Dollar ($0.655/Oz) is averaged with that of Delamar ($0.701/Oz) to give an average of $0.678.

	Metal, oz/ton		Dollar Value		Dollar Value	
			Au	Ag	Au	Ag
	Au	Ag	@20.67	@0.678	@35.00	@1.29
Trade Dollar Cons.	0.325	35.0	$ 6.72	$23.73	$11.38	$45.15
De Lamar	0.85	16.5	17.57	11.19	29.75	21.29
Averages	0.587	25.7	$12.13	$17.46	$20.55	$32.15

These approximate ratios are confirmed by the near total production figures given by Piper and Laney (pp. 94 and 121), as follows:

Sidney Mining Company
102 First Security Bldg.
Kellogg, Idaho 83837

OME-6481

	Metal, oz.		Dollar Value		Dollar Value	
			Au @20.67	Ag @0.678	Au @35.00	Ag @1.29
Florida Mt.	132,580	15,421,700	$ 2,741,400	$10,105,900	$ 4,640,300	$19,893,993
De Lamar	402,552	5,873,088	8,320,985	4,117,272	14,089,320	7,576,283
Totals	535,132	21,294,788	$11,062,385	$14,223.172	$18,729,620	$27,470,276
Ratio Au:Ag	1:39.8		1:1.29		1:1.47	

? We believe that averaging the production of the areas adjoining on each side gives a fair appraisal of the grade to be expected. We do not have the production data for the entire Carson mining district, which covered a large area. It included the west half of War Eagle Mountain, all of Florida Mountain, Delamar and beyond to the mouth of Louse Creek. (Piper and Laney, p. 56) During the productive period the Delamar mining district as outlined on the U.S.G.S.-Ida. Bur. Mines 1936 map entitled "MINING DISTRICTS OF IDAHO" did not exist. Production from Delamar was included in statistics of the Carson mining district.

Even if an estimate is made using the production of the whole Carson district, we believe that, at present prices, the silver value will be predominant if allowance is made for the extremely large early day milling losses of silver with recoveries as low as 19% (Piper and Laney, p. 95), most of which would be recovered by modern cyanidation. Also it must be remembered that the Carson mining district included not only Delamar and Florida Mountain, but the west half of War Eagle Mountain. Production from War Eagle had by far the highest gold to silver ratio of the whole region, probably partly because it was the earliest, therefore its silver losses were the greatest.

T. G. DEGGENDORFER
CHEMIST & ASSAYER

P. O. Box [illegible]

Sample Marked Sidney Mining Co.

Case

Sample	PER TON IN OZS.		PER CENT LEAD	PER CENT ZINC	PER CENT COPPER	PER CENT IRON	PER CENT CADMIUM	PER CENT	PER CENT	PER CENT	PER CENT
	GOLD	SILVER									
CA-1	Trace	0.003									
CA-2	nil	nil									
CA-3	nil	nil									
[illegible]											
[illegible]											
[illegible]											

Receipt _____

Charge _____

Date Sept. 24, 1965

T. G. Deggendorfer
SIGNATURE

Exhibit 2-P

Sidney Mining Company
102 First Security Bldg.
Kellogg, Idaho 83837

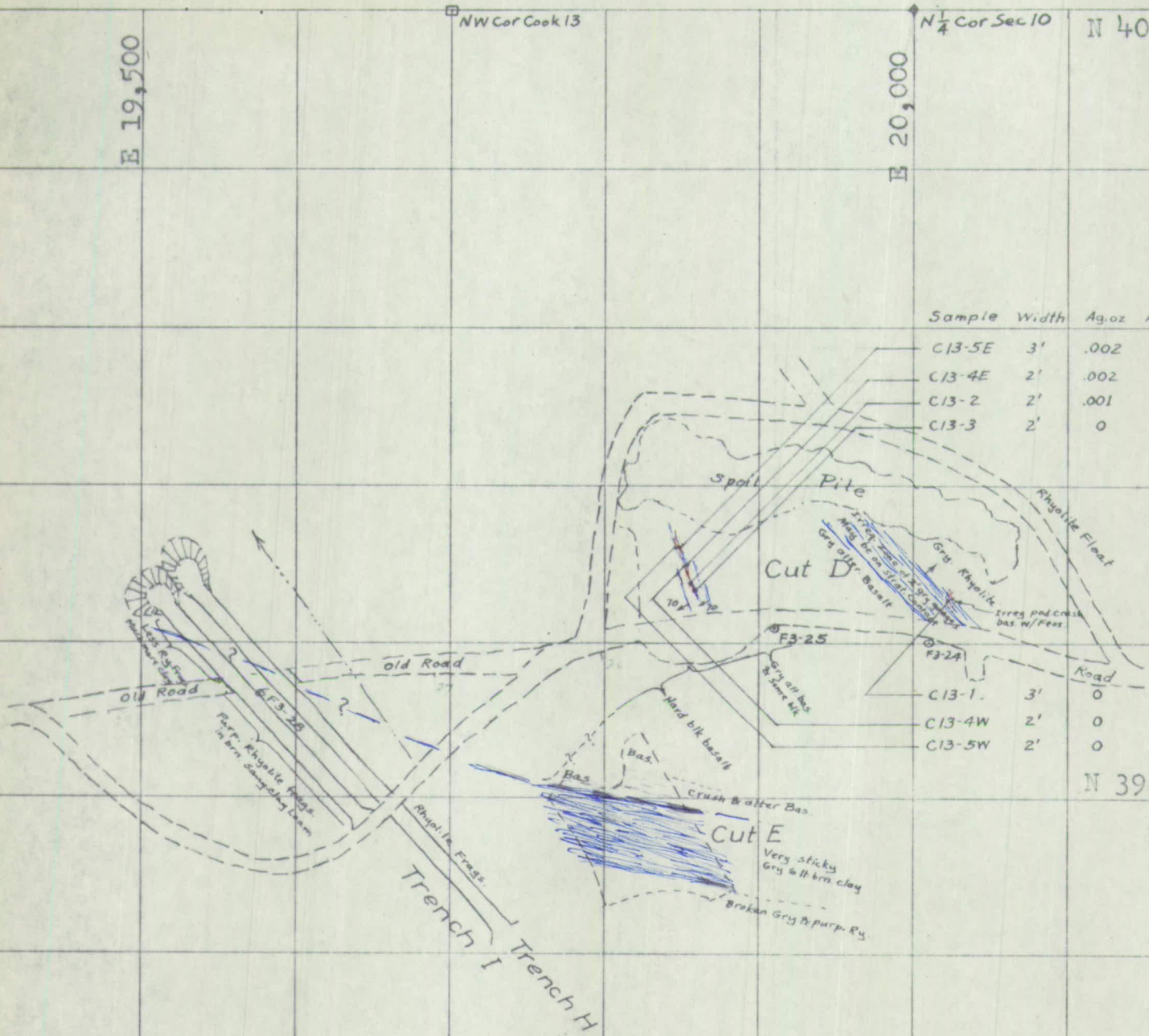
OME-6481

7. a. (Addenda) Photocopies of bids obtained from dozer and drilling contractors are attached hereto, marked Exhibit 7-a. We have had difficulty in finding bulldozer contractors with hydraulic ripper on the D-8 we specified, and some modification may be necessary. We believe that the D-9, at $5.00 more per hour can probably do the job for less than our estimated cost.

Both drilling contractors submitted proposals higher than our estimate but improvements might be negotiated before we actually contract the drilling. In any event we propose that the total drilling be limited to $25,000.

38

3-a-1-c



Sample	Width	Ag.oz	Au,oz
C13-5E	3'	.002	Tr
C13-4E	2'	.002	Tr
C13-2	2'	.001	Tr
C13-3	2'	0	0
C13-1.	3'	0	0
C13-4W	2'	0	0
C13-5W	2'	0	0

GEOLOGIC NOTES
COOK GROUP
Owyhee Co., Idaho
Compass and Pace
Scale: 1" = 100'
Sept 1965 MCB

OFFICIAL COPY
O. M. E.
RECEIVED
SEP 30 1965
INITIALS CODE

Exhibit 3-a-1-a

"ALBANENE" No. 195M K & E CO., N.Y. REG. U.S. PAT. OFF.

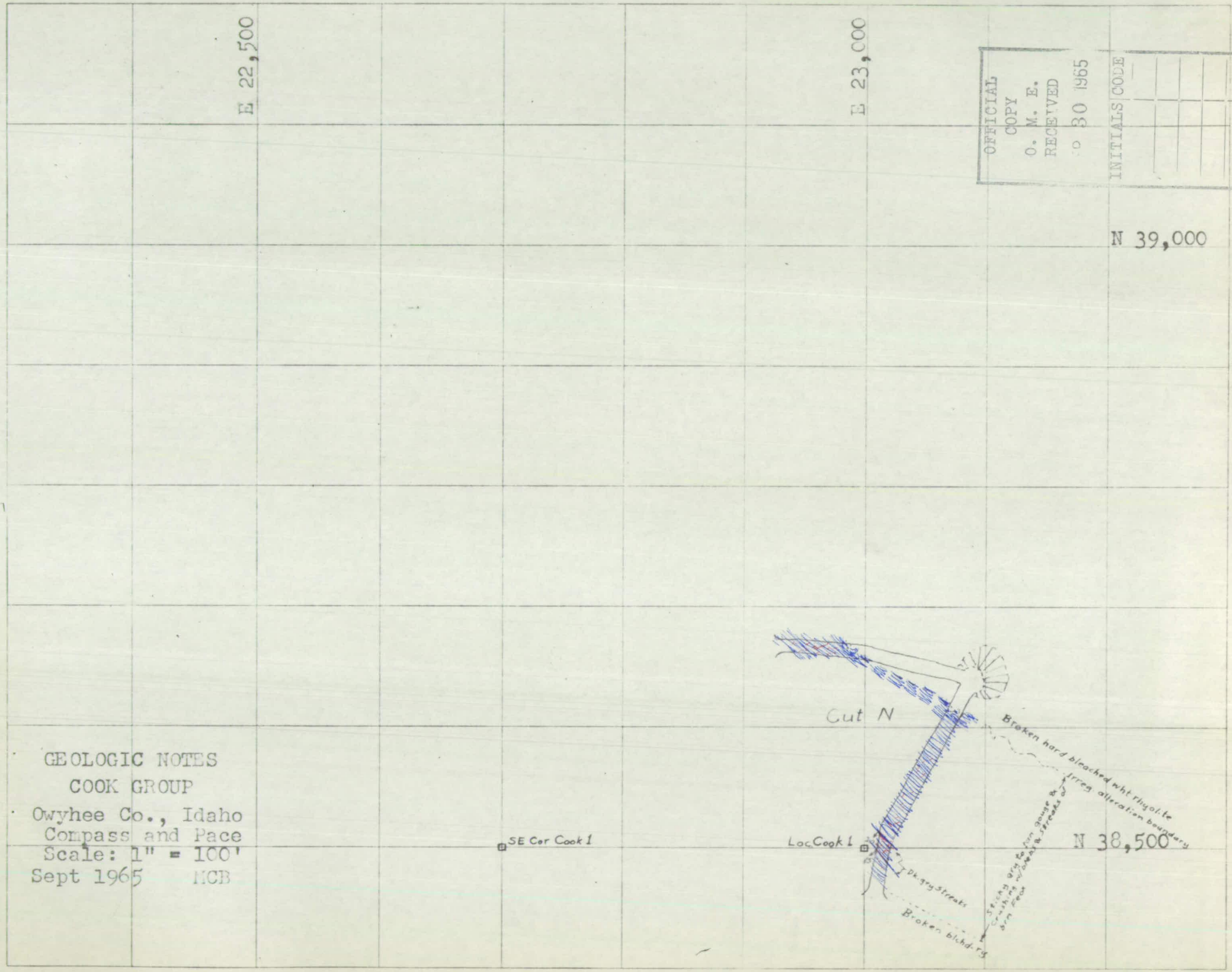
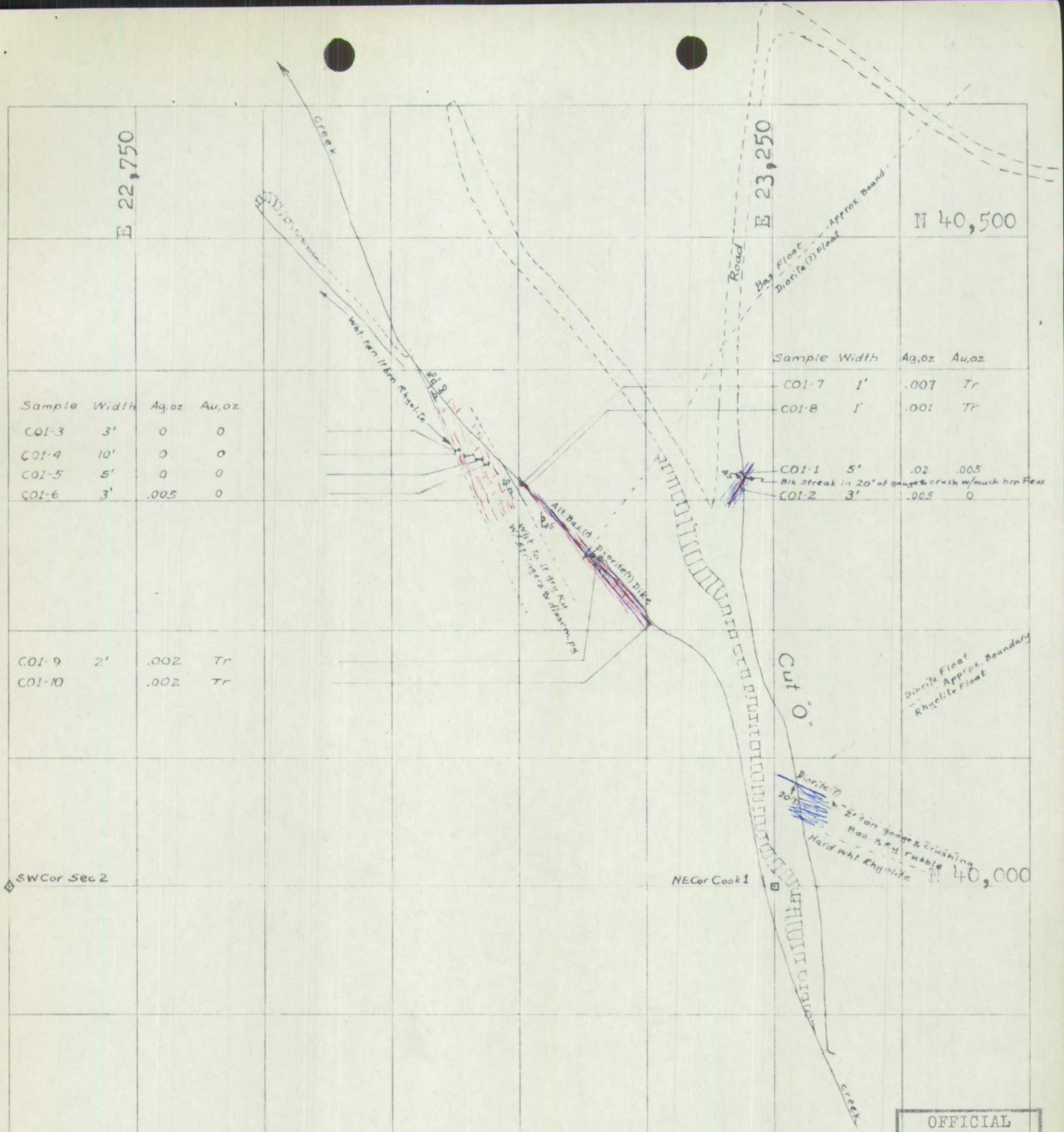


Exhibit 3-a-1-b



Sample	Width	Ag,oz	Au,oz
C01-3	3'	0	0
C01-4	10'	0	0
C01-5	5'	0	0
C01-6	3'	.005	0
C01-9	2'	.002	Tr
C01-10		.002	Tr

Sample	Width	Ag,oz	Au,oz
C01-7	1'	.007	Tr
C01-8	1'	.001	Tr
C01-1	5'	.02	.005
Blk streak in 20' of gouge & crush w/much brn Flex			
C01-2	3'	.005	0

GEOLOGIC NOTES
COOK GROUP
Owyhee Co., Idaho
Compass and Pace
Scale: 1" = 100'
Sept 1965 MCB

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Exhibit 3-a-2-a

"ALBANENE" No. 1 GM K&E CO., N.Y. REG. U.S. PAT. OFF

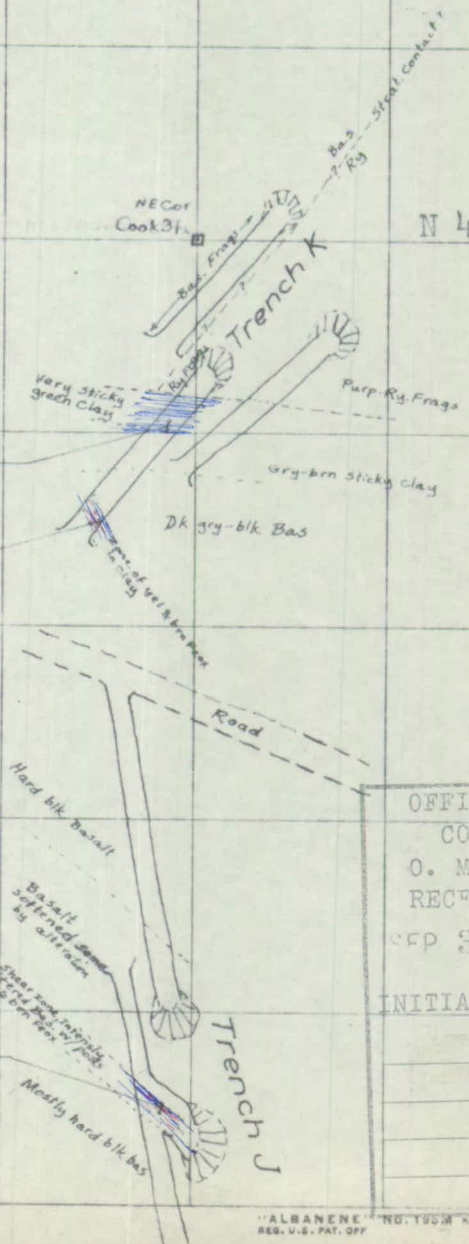
3-a-2-b

5-38

N 42,000

E 19,500

N 41,500



Sample	Width	Ag, oz	Au, oz
C31-7	5'	.005	Tr
C31-6	5'	0	0
C31-5	5'	0	0

GEOLOGIC NOTES
COOK GROUP
Owyhee Co., Idaho
Compass and Pace
Scale: 1" = 100'
Sept 1965 MCB

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SEP 30 1965
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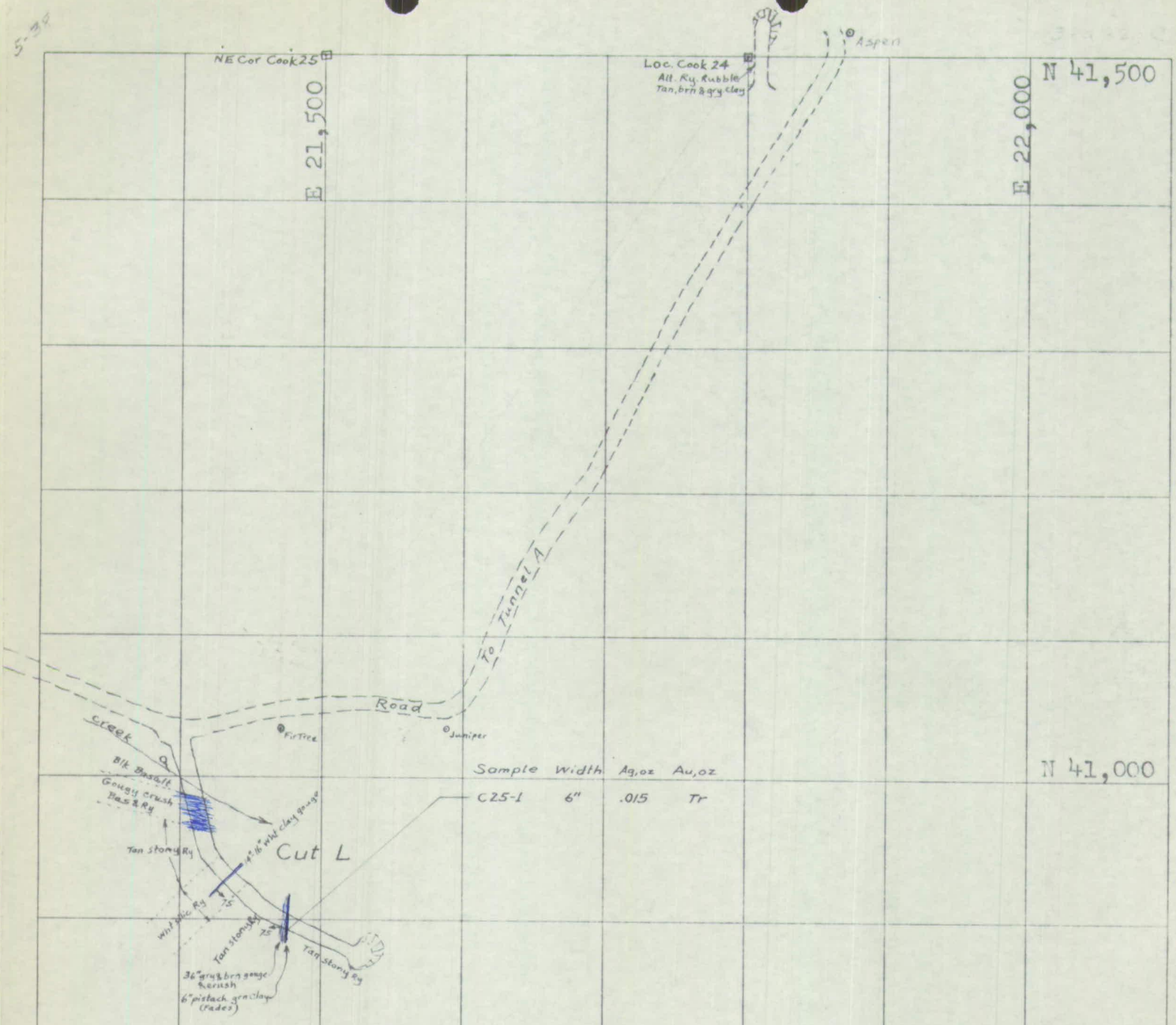
Exhibit 3-a-2-b

"ALBANENE" NO. 190M K&E CO., N.Y.
REG. U.S. PAT. OFF.



Sample	Width	Ag, oz	Au, oz
C25-1	6"	.015	Tr

GEOLOGIC NOTES
COOK GROUP
Owyhee Co., Idaho
Compass and Pace
Scale: 1" = 100'
Sept 1965 MCB

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INITIALS CODE

Exhibit 3-a-2-c

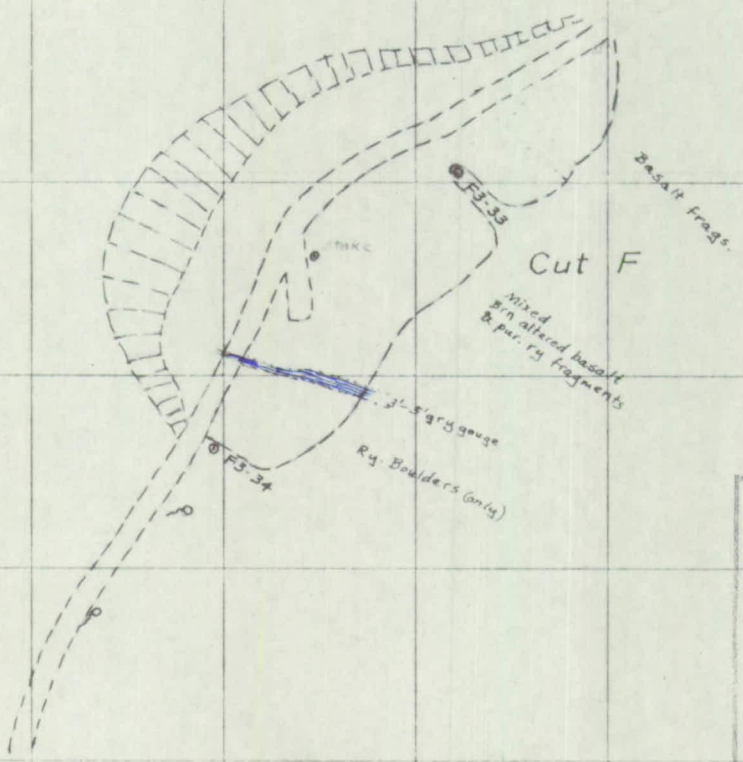
"ALBANENE" No. 196M K&E CO., N.Y.
REG. U.S. PAT. OFF

N 40,000

E 19,000

NW Cor Cook 15

N 39,500



GEOLOGIC NOTES
COOK GROUP
Owyhee Co., Idaho
Compass and Pace
Scale: 1" = 100'
Sept 1965 MCB

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INITIALS CODE

Exhibit 3-a-3-b

"ALBANENE" No. 196M K&E CO., N.Y.
REG. U.S. PAT. OFF.

N 41,000

E 19,500

Trench J

N 40,500

Cut G

Sample	Width	Ag,oz	Au,oz
C31-3	2'	Tr	Tr
C31-4	1'	Tr	Tr
C31-1	2'	0	0
C31-2	1'	0	0

GEOLOGIC NOTES
COOK GROUP
Owyhee Co., Idaho

Compass and Pace
Scale: 1" = 100'
Sept 1965 MCB

SE Cor. Cook 31

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INITIALS | CODE

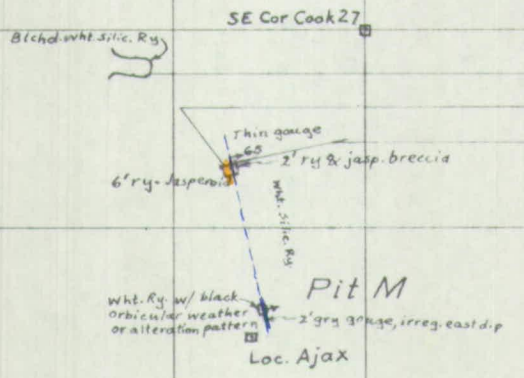
Exhibit 3-a-3-c

38

E 20,500

E 21,000

N 40,000



Sample	Width	Ag, oz	Au, oz
CA-3	3'	0	0
CA-2	6'	0	0
CA-1	2'	.003	Tr

E 39,500

GEOLOGIC NOTES
COOK GROUP
Owyhee Co., Idaho
Compass and Pace
Scale: 1" = 100'
Sept 1965 MCB

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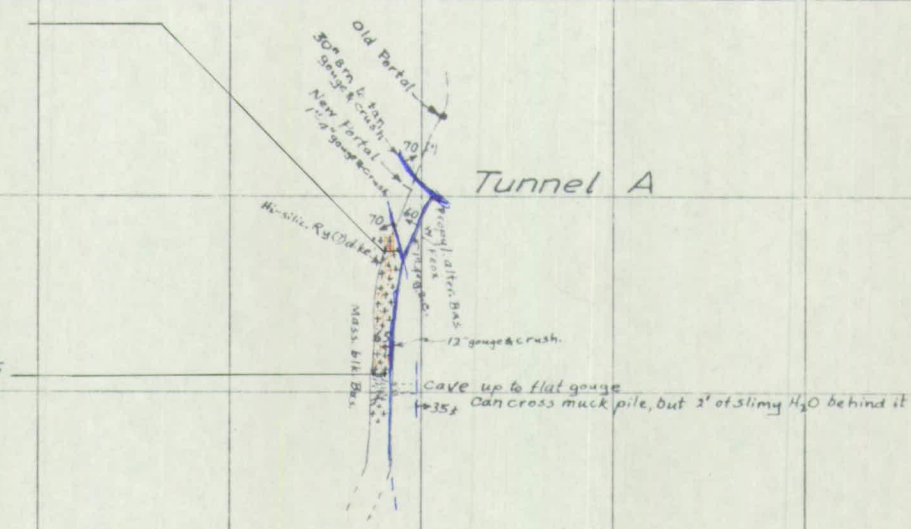
Exhibit 3-a-3-e

"ALBANENE" No. 195M K&E CO., N.Y.
REG. U.S. PAT. OFF.

38

Sample	Width	Ag, oz	Au, oz
TA-1	3'	.02	.005
TA-2	3'	.04	.005



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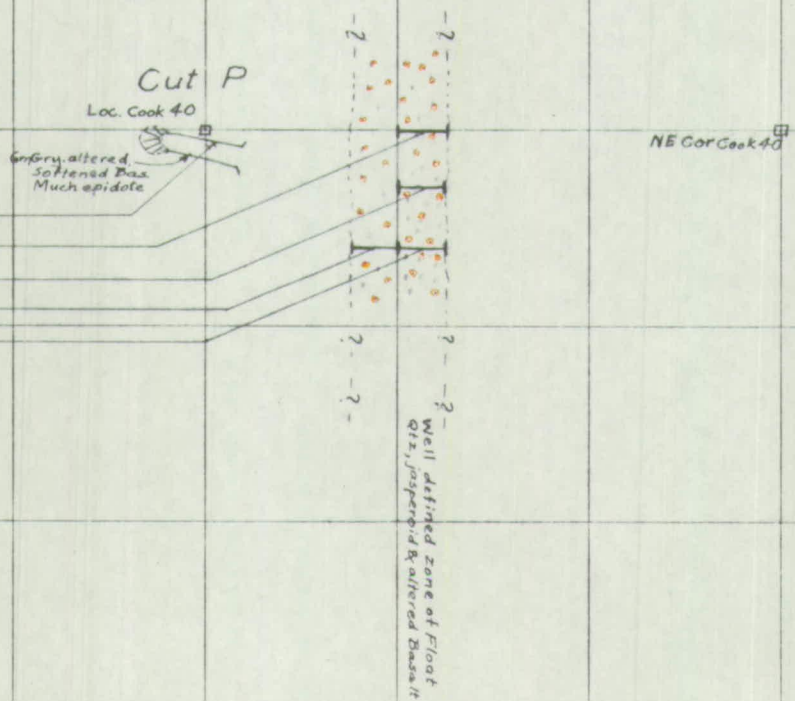
GEOLOGIC NOTES
COOK GROUP
Owyhee County, Ida.

Compas and Pace
,Scale: 1" = 50'
Sept 1965 MCB

Exhibit 3-a-4-a

"ALBANENE" NO. 195M K&E CO., N. Y.
REG. U.S. PAT. OFF.

N 44,500



Sample	Ag, oz	Au, oz
C40-1	0	0
C40-5	.27	.005
C40-4	.20	.015
C40-2	.09	.005
C40-3	.17	.005

N 44,000

E 21,000

E 21,500

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INITIALS CODE

GEOLOGIC NOTES
COOK GROUP
Owyhee Co., Idaho
Compass and Pace

Scale: 1" = 100'
Sept 1965 MCB

Exhibit 3-a-4-b

"ALBANENE" No. 195M K&E CO., N.Y.
REG. U.S. PAT. OFF.

3-a-4-c

E 21,500

E 22,000

N 43,500

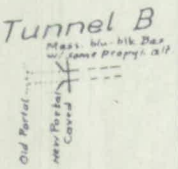
N 43,000

Basalt Float

Mixed Float
Bleached & Silic. Rhyolite
Altered Basalt
Both w/scanty Fe ox

Ry Float

Tunnel B



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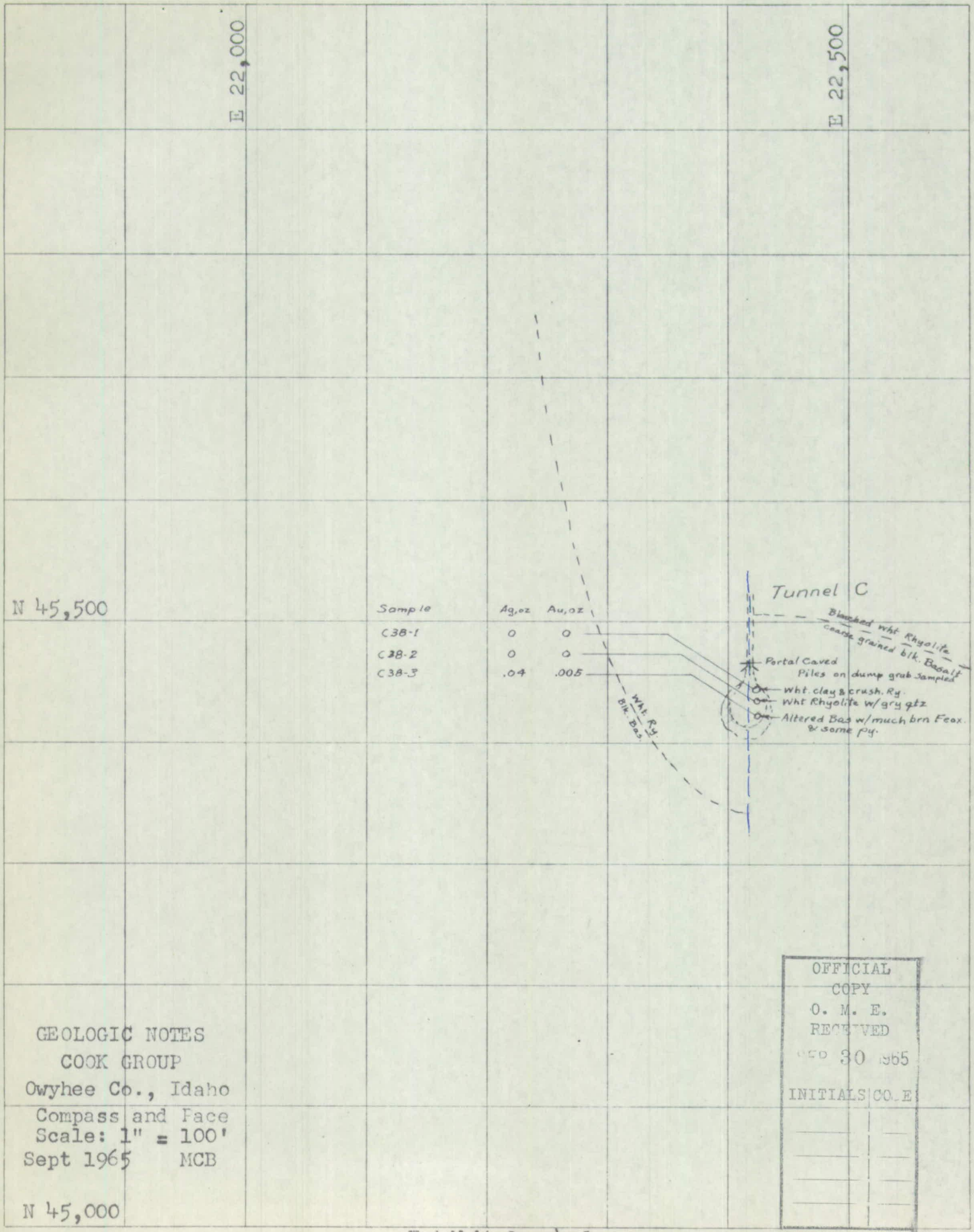
GEOLOGIC NOTES
COOK GROUP
Owyhee Co., Idaho
Compass and Pace
Scale: 1" = 100'
Sept 1965 MCB

Exhibit 3-a-4-c

"ALBANENE" No. 196M KALCO., N.Y.
REG. U.S. PAT. OFF

3-a-4-d



Sample	Ag, oz	Au, oz
C38-1	0	0
C38-2	0	0
C38-3	.04	.005

Exhibit 3-a-4-d

"ALBANENE" No. 196M K&E CO., N.Y. REG. U.S. PAT. OFF.

Reminder

THE BUNKER HILL COMPANY

CONCENTRATOR ASSAY OFFICE

Kellogg, Idaho September 17,1965

SIDNEY MINING COMPANY

Gentlemen: Below, please find our results on the following samples.

	Lead %	Silver oz.	Zinc %	Copper %	Iron %	Mang. %	Insol. %	Gold oz.
CO-1 #1		0.02						0.005
#2		0.005						0
#3		0						0
#4		0						0
#5		0						0
#6		0.005						0

THE BUNKER HILL COMPANY

Exhibit 3-f

T. G. DEGGENDORFER
CHEMIST-ASSAYER

P. O. Box 840

Sample Marked Sidney Mining Co.

Gen

Sample	PER TON 2000 LBS. OZS. GOLD	OZS. SILVER	PER CENT LEAD	PER CENT ZINC	PER CENT COPPER	PER CENT IRON	PER CENT CADMIUM	PER CENT	PER CENT	PER CENT	PER CENT
C01-7	Trace	0.007									
C01-8	Trace	0.001									
C01-9	Trace	0.002									
C01-10	Trace	0.002									
SMELTER											
MINING											
SETTLEMENT											

Remarks _____

Umpire _____

Kellogg, Idaho Sept. 24, 1965

T. G. Deggendorfer
ASSAYER

Exhibit 1-F

T. G. DEGGENDORFER
CHEMIST-ASSAYER

P. O. Box 869

Sample Marked Sidney Mining Co.

Case

Sample	PER TON 2000 LBS. OZS. GOLD	OZS. SILVER	PER CENT LEAD	PER CENT ZINC	PER CENT COPPER	PER CENT IRON	PER CENT CADMIUM	PER CENT	PER CENT	PER CENT	PER CENT
C13-1	nil	nil									
C13-2	Trace	0.001									
C13-3	nil	nil									
C13-4E	Trace	0.002									
C13-4W	nil	nil									
SMELTER											
C13-5E	Trace	0.002									
C13-5W	nil	nil									
SETTLEMENT											

Remarks

Umpire

Kellogg, Idaho Sept. 24, 1965

J. G. Deggendorfer
ASSAYER

Exhibit 3-f

T. G. DEGGENDORFER
CHEMIST-ASSAYER

P. O. Box 669

Sample Marked Sidney Mining Co. C25-1

Con

	FOR TON 2000 LBS.		PER CENT LEAD	PER CENT ZINC	PER CENT COPPER	PER CENT IRON	PER CENT CADMIUM	PER CENT	PER CENT	PER CENT	PER CENT
	OZS. GOLD	OZS. SILVER									
C25-1	Trace	0.015									
[illegible]											
[illegible]											

Remarks _____

Sampler _____

Kellogg, Idaho September 24, 1965

T. G. Deggendorfer
Assayer

Exhibit 3-f

T. G. DEGGENDORFER
CHEMIST-ASSAYER

P. O. Box 800

Sample Marked Sidney Mining Co.

Case

Sample	PER TON 2000 LBS.		PER CENT LEAD	PER CENT ZINC	PER CENT COPPER	PER CENT IRON	PER CENT CADMIUM	PER CENT	PER CENT	PER CENT	PER CENT
	OZS. GOLD	OZS. SILVER									
C31-1	nil	nil									
C31-2	nil	nil									
C31-3	Trace	Trace									
C31-4	Trace	Trace									
C31-5	nil	nil									
C31-6	nil	nil									
C31-7	Trace	0.005									
Assayer											
Settlement											

Remarks

Umpire

Helena, Mont. Sept. 24, 1965

T. G. Deggendorfer
Assayer

Exhibit 3-f

minder

THE BUNKER HILL COMPANY

CONCENTRATOR ASSAY OFFICE

Kellogg, Idaho September 17,1965

SIDNEY MINING COMPANY

Gentlemen: Below, please find our results on the following samples.

	Lead %	Silver oz.	Zinc %	Copper %	Iron %	Mang. %	Insol. %	Gold oz.
C-38 #1		0						0
#2		0						0
#3		0.04						0.005

THE BUNKER HILL COMPANY

J. H. Lawrey

Exhibit 3-f

THE BUNKER HILL COMPANY

CONCENTRATOR ASSAY OFFICE

Kellogg, Idaho September 17, 1965

SIDNEY MINING COMPANY

tlemen: Below, please find our results on the following samples.

	Lead %	Silver oz.	Zinc %	Copper %	Iron %	Mang. %	Insol. %	Gold oz.
C-40 #1		0						0
#2		0.09						0.005
#3		0.17						0.005
#4		0.20						0.015
#5		0.27						0.005

THE BUNKER HILL COMPANY

J. H. Tankersley

Exhibit 3-f

Reminder

THE BUNKER HILL COMPANY

CONCENTRATOR ASSAY OFFICE

Kellogg, Idaho September 17,1965

SIDNEY MINING COMPANY

Gentlemen: Below, please find our results on the following samples.

	Lead %	Silver oz.	Zinc %	Copper %	Iron %	Mang. %	Insol. %	Gold oz.
TA #1		0.02						0.005
#2		0.04						0.005

THE BUNKER HILL COMPANY

J. H. Fairley

Exhibit 3-f

MINING
DRILLING
ASSAYING
BUYERS OF
GOLD AND SILVER ORES

EXPLORATION
CORE DRILLING
DEVELOPMENT
MINE AND MILL
EQUIPMENT

HONESTY · INTEGRITY · EXPERIENCE

American Gold and Silver Company

Phone 9-7728
1207 Willow Street
Caldwell, Idaho

Sept. 18, 1965

Sidney Mining Co.
102 1st Security Bank Bldg.
Kellogg, Idaho

Gentlemen:

We would like to submit our bid for work to be done on your Owyhee County project near Delamar.

200 Hours dozing & ripping

D9 caterpiller with hydralic ripper	$30.00 per hour
Move in and out	$400.00

Subject to the following conditions

1. Rates in effect for 90 days from date of date bid made.
2. Starting time on project subject to weather and our current work schedule.

Very truly yours,

Howard Atha

Howard Atha

Exhibit 7-a

Mr. M C. Brown
Sidney Mining Co.
Dear Sir:
Regarding our Phone call. About Cat Rental at Silver city.
Our Price would be $35.00 Per hr. furnished with operator & fuel.
This Price is for D 9 Cat With Dozer & Ripper
Trucking Price $1.40 Per Mile

Yours Truly
C B. Eaton & Sons
Box 265 Wendell
By ~~Ry Ripper~~ Idaho

C B Eaton & Sons
Box 265
WENDELL IDAHO

BOISE SEP 17 1985 IDAHO

PREVENT FORES[illegible]
AND RANGE FI[illegible]
KEEP IDAHO GR[illegible]

Sidney Mining Co
102. First Security Bldg.
Kellogg Idaho

Exhibit 7-a

THOMAS D. QUINN
President

E. C. McNEIL
Vice President-General Manager

MAURI QUINN
Secretary

JAMES A. QUINN
Treasurer

QUINN-ROBBINS CO., INC.

CERTIFIED READY MIXED CONCRETE • COMMERCIAL SAND AND GRAVELS
PLANT AND OFFICE: 703 AMERICANA BLVD. (South 16th St.) • PHONE 2-3608
BOISE, IDAHO

Member

September 23, 1965

Malcom Brown
Sidney Mining Co.
102 First Security Bank Bldg.
Kellog, Idaho

Operation Site:

Dewey-Delamar Mine
Exploration

Dear Sir;

You inquired as to the rental on a Tractor equiped with Dozer and Ripper.

We have a C-6 and a 46A Tractor both with Hydraulic Dozers & Rippers. Both cats are in excess of 230 H.P. and are 1965 models.

The State Highway Department rental of these units are $ 39.31 per hour when on the job. Adding moving costs to and from job for operator, fuel service at the remote area and daily travel time for a operator to Jordan Valley the actual operated rate would be about $ 44.00 per hour.

Moving costs including flag cars would be $ 400.00 Lump Sum.

The only manner in which we would be interested in furinshing this equipment would be as follows;

Actual operaters time including travel time as turned in by approved time cards at the rate of $ 6.00 per hour.

Equipment operated hours @ $ 40.00 per hour. (Plus labor)

Transportation to and from job Lump Sum $ 400.00

This offer is subject to availability of equipment. One hundred hour minimum.

Yours truly;

QUINN ROBBINS CO. INC.,

BY E. C. McNeil

Exhibit 7-a

September 9, 1965

Post Office Box 307
Parkwater Station
Spokane, Washington 99211
N. 1015 Yardley Road
Area Code 509, KE 4-1588

Diamond Drill Contracting Co.

Sydney Mining Company
102 Weber Bank Building
Kellogg, Idaho 83837

Reference: Exploratory drilling, Cook Group claims near Delamar, Idaho

Gentlemen:

In response to your letter of August 25, 1965, we offer the following quotation for drilling and coring approximately 3200 feet:

1)	Mobilization & demobilization	700.00/LS
2)	Moves between holes	65.00 ea.
3)	BX core drilling 0-500'	8.70/LF
4)	AX Core drilling 0-500'	6.90/LF
5)	EX Core drilling 0-500'	5.85/LF
6)	BX Casing, Reaming and Setting	6.60/LF
7)	AX Casing, Reaming and Setting	5.70/LF
8)	EX Casing, Reaming and Setting	5.10/LF
9)	Cementing	18.00/Hr. + cost of materials
10)	Standby at your request	18.00/Hr.

Our quote is based upon your furnishing drill set-ups.

In event inclement weather forces us to shut down for winter, an additional mobilization will be charged.

Our quote remains in effect sixty (60) days from date and is subject to review thereafter.

Thank you for the chance to bid on this work. If you have any questions, please call on us.

Sincerely,

DIAMOND DRILL CONTRACTING COMPANY

Lees J. Burrows

Lees J. Burrows,
President

LJB/cb

Exhibit 7-a

Nichols UNIVERSAL Drilling Co.

Post Office Box 104
Wallace, Idaho
Phone SK3-4281
Donald F. Nichols, Mgr.

September 24, 1965

Mr. M. C. Brown, President
Sidney Mining Company
102 Weber Bank Bldg.
Kellogg, Idaho

Dear Mr. Brown,

In reference, to your letter of August 25, 1965 and our verbal discussions relative to the drilling at Delamar, Idaho we wish to submit the following quotation.

1. Mobilization: $1200.00

2. Drilling: A. Overburden at $12.40 per foot.

B. Coring

	NX	BX	AX
0 to 400'	9.50	8.75	8.10

C. Reaming at ½ price of applicable drilling rate.

3. Cementing and drilling cement at $12.00 per hour plus cost of materials and $1.50 per foot additional for drilling cement.

4. Drill mud or additives if required at our cost job site plus 10%.

5. Casing drill hole at .60 per foot.

6. Drill sites and roads are to be prepared and maintained by you.

7. Prices of core boxes and sludge containers not included in drilling rate. If furnished by us, cardboard core boxes are .85 for NX, 80¢ for BX and 75¢ for AX.

It is understood that the drilling will not be done under adverse weather conditions. In the event that it is necessary to work during winter conditions we would request additional rates.

We wish to thank you for your consideration.

Yours very truly,

Donald F. Nichols, President
Nichols Universal Drilling Co.
Box 104 Wallace, Idaho

DFN/rlm

Exhibit 7-a

ONLY COPY SUBMITTED.

[illegible] MINING COMPANY
BALANCE SHEET
AUGUST 31, 1965

Current Assets:		
Cash - Idaho First National Bank	$ 199.04	
National Bank of Washington	3,690.79	
Accounts Receivable	8,549.27	
Assessment Receivable	266.66	
Notes Receivable	4,979.01	
Reserve for Doubtful Accounts		$ 1,112.00
Accrued Interest Receivable	2,207.83	
Prepaid Insurance	381.05	
Warehouse Inventory		154.67
Investments:		
U. S. Treasury Bonds	5,000.00	
Mascot & Tri-Nite Stocks	40,800.00	
Investment Joint Venture - Operation #17	555.15	
Fixed Assets:		
Other Real Estate	11,079.50	
Equipment - Mine	5,611.67	
Memo - Laura	666.90	
Equipment - Office	10,809.00	
Equipment - St. Paul	7,590.48	
Mill - St. Paul	96,609.52	
Reserve for Depreciation		14,129.33
Reserve for Depreciation - St. Paul		37,690.92
Mine Properties	36,450.00	
St. Paul Lease	183,286.94	
Snowshoe Lease	115,500.00	
Advance Royalty Payment	1,500.00	
Mining Lease - Daybreak Uranium, Inc.	12,500.00	
Liabilities:		
Accounts Payable		38.10
Fire Loss Account Payable		40.19
Notes Payable		110,511.53
Accrued Interest Payable		6,153.08
Capital:		
Capital Stock Authorized		1,500,000.00
Capital Stock Unissued	794,863.50	
Capital Surplus		822,384.05
Earned Surplus	1,036,329.71	

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Administrative Expenses:		
Salaries		$ 142.87
Group Insurance - P. R. D.	$ 10.32	
State Withholding Tax - P. R. D.		44.50
Miscellaneous Payroll Deductions	31.00	
Automotive Expense	424.15	
Directors' Expense	22.73	
Exploration Expense	34.43	
Group Insurance	104.31	
Industrial Compensation	43.03	
Insurance	480.00	
Legal & Audit	200.00	
Miscellaneous General Expense	99.87	
Office Expense	1,439.05	
Taxes, Fees & Licenses	46.54	
Travel Expense	100.00	
Other Income:		
Discounts		0.35
Interest		739.33
Miscellaneous		104.99
Rentals		75.00
Equipment Sales		500.00
Supply Sales		929.11
Laura Advances	63,536.78	
Laura Direct	6,112.03	
Laura G. & A.	92.90	
Minerales Advances	18,303.55	
Minerales Reimburseable Expenses	719.12	
Republic Direct	1,330.63	
Republic G. & A.	10.00	
St. Paul Direct	451.23	
St. Paul G. & A.	1,006.41	
St. Paul Interest Paid	362.50	
Sidney-Lightning	10,239.85	
Silver City	10,127.60	
	$ 2,494,750.05	$ 2,494,750.05

SIDNEY MINING COMPANY

Financial Statements

Year Ended December 31, 1964

Only Copy Submitted

LEMASTER & DANIELS

Certified Public Accountants · Symons Bldg., Spokane, Wash.

LeMaster & Daniels

CERTIFIED PUBLIC ACCOUNTANTS

EUSTACE LeMASTER, C. P. A.
(1896 - 1964)
E. CLAIR DANIELS, C. P. A.
FIRTH J. CHEW, C. P. A.
FLOYD N. SMITH, C. P. A.
DONALD W. HAMMERSLEY, C. P. A.
GLENN E. MICKELSON, C. P. A.

PHONE MA 4-4315
SYMONS BUILDING
SPOKANE, WASHINGTON 99204

CORRESPONDENTS
IN PRINCIPAL CITIES
OF THE UNITED STATES

March 2, 1965

Board of Directors
Sidney Mining Company
Kellogg, Idaho

Gentlemen:

We have reviewed the accounting records of Sidney Mining Company in connection with the preparation of its federal and state income tax returns for the year ended December 31, 1964, but we did not audit the transactions, nor did we make an independent verification of assets and liabilities.

As a result of our review, we submit the following statements which have been prepared from the books:

Exhibit A--Balance sheet at December 31, 1964

Exhibit B--Statement of income, year ended December 31, 1964

Exhibit C--Statement of deficit, year ended December 31, 1964

The statements have been prepared in accordance with generally accepted accounting principles. However, since we did not audit the accounts, we are precluded from expressing an opinion on the representations contained in the statements.

Yours very truly,

LeMaster & Daniels

Exhibit A

SIDNEY MINING COMPANY

Balance Sheet at December 31, 1964

ASSETS

CURRENT ASSETS:		
Cash in bank		$ 3,039.32
Receivables:		
Accounts receivable	$ 21,190.12	
Note receivable--Minerales De La Frontera, S.A.	24,264.17	
	45,454.29	
Less: Reserve for losses	1,112.00	
		44,342.29
Interest receivable		2,207.83
Prepaid expenses		373.09
Total current assets		49,962.53
INVESTMENTS--at cost:		
Stock of Mascot Mines, Inc. (20,000 shares)	10,800.00	
Stock of Tri-Nite Mining Company (75,000 shares)	30,000.00	
United States Treasury bills deposited under State of Idaho compensation agreement	5,000.00	
Participation interest--non-operating Arizona Uranium venture	555.15	
Participation interest--Utah Uranium venture	73,673.29	
Mining lease--Snowshoe claims (non-operating property)	115,500.00	
		235,528.44

PROPERTY, PLANT AND EQUIPMENT:

	Cost	Reserve for Depreciation	Balance	
Office equipment	$ 10,809.00	$ 10,754.00	$ 55.00	
Automotive and mine equipment	6,228.57	4,778.42	1,450.15	
St. Paul mill and equipment	104,200.00	36,287.83	67,912.17	
	$121,237.57	$ 51,820.25	69,417.32	
Town lots			11,079.50	
Utah mineral claims			25,000.00	
Idaho mineral claims			6,250.00	
Deferred exploration expenditures (non-operating properties):				
St. Paul		$183,286.94		
Idaho mineral claims		6,789.92		
			190,076.86	
				301,823.68
OTHER ASSETS:				
Advance royalty payment			1,500.00	
Non-current notes receivable:				
Mascot Mines, Inc.			2,850.00	
Other			1,486.91	
				5,836.91
				$593,151.56

LIABILITIES

CURRENT LIABILITIES:		
Notes payable to American Smelting & Refining Co.		$ 6,911.51
Current portion of long-term debt:		
Notes payable	$ 49,678.00	
Contract payable	10,000.00	
		59,678.00
Accounts payable		735.96
Provision for taxes:		
Real estate taxes	227.67	
State income taxes	20.00	
		247.67
Accrued payroll		1,500.00
Interest payable		1,529.83
Total current liabilities		70,602.97
LONG-TERM DEBT:		
Notes payable, including interest of $16,064.00--note 1	109,714.00	
Contract payable to Merger Mines, Inc.--note 2	67,500.00	
	177,214.00	
Less: Payments due within one year included in current liabilities	59,678.00	
		117,536.00
Total liabilities		188,138.97
CAPITAL STOCK AND DEFICIT:		
Capital stock--6,000,000 shares of $.25 par value stock authorized; 2,475,833 shares issued and outstanding	618,958.25	
Deficit--exhibit C:		
Operating deficit	$1,036,329.71	
Less: Capital surplus	822,384.05	
	213,945.66	
		405,012.59
		$593,151.56

See footnotes on following sheet

SIDNEY MINING COMPANY

Footnotes to Balance Sheet at December 31, 1964

NOTE 1: The notes are dated October 9, 1958, and subsequently, and are due in 3 years, together with 6% interest. The notes are payable at the rate of $7.50 per ton of concentrates produced from any and all properties owned, leased, or in which the Company has an interest, in Lincoln County, Montana. In the event the notes are not paid in full at the end of three years, the unpaid balance becomes due and payable. However, if the New York quoted metal prices do not equal or exceed 14¢ for lead and 12¢ for zinc during the life of the notes, the time of repayment, including interest, is extended for a comparable period. From August, 1964, on, the New York quoted metal price of lead has been 14¢ or above.

NOTE 2: The contract, dated October 5, 1961, covers the acquisition of the interest of Merger Mines, Inc. in mining mill, equipment, and lease interest in Lincoln County, Montana. Of the total, $25,000.00 is payable at the rate of 5% of net smelter returns from the acquired properties, or $5,000.00 annually, whichever is greater. The balance of $42,500.00 is payable at the rate of 2% of net smelter returns from the properties.

Exhibit B

SIDNEY MINING COMPANY

Statement of Income, Year Ended December 31, 1964

INCOME:		
Gain on sale of equipment	$22,876.86	
Sale of supplies and scrap	527.88	
House rentals	165.00	
Equipment rentals	850.00	
Other	783.01	
	25,202.75	
Less: Loss on sale of Mascot Mines, Inc. stock	3,875.00	
		$21,327.75
EXPENSES:		
General and administrative:		
Salaries and wages	5,623.86	
Rent	1,380.00	
Depreciation	576.50	
Taxes and licenses	557.17	
Interest	5,967.17	
Stationery, printing and office supplies	308.91	
Professional fees	725.00	
Insurance	724.12	
Group insurance	167.44	
Telephone and telegrams	305.15	
Lights	41.68	
Power	536.31	
Dues and subscriptions	4.00	
Industrial compensation	79.71	
Directors' expenses	63.92	
Bad debts	2,934.18	
Other expenses	596.28	
		20,591.40
NET INCOME		$ 736.35

Exhibit C

SIDNEY MINING COMPANY

Statement of Deficit, Year Ended December 31, 1964

CAPITAL SURPLUS:		
Stock assessments:		
Levied in 1942	$ 15,000.00	
Levied in 1961	41,752.00	
Levied in 1963	48,032.66	
		$ 104,784.66
Surplus arising from revaluation of par value of corporate stock in 1958		1,125,000.00
Excess of selling price over par value of shares sold in 1959 and 1960		11,550.00
Surplus arising from merger with St. Paul Lead Co. in 1962		16,899.39
		1,258,234.05
Less: Discount on sale of treasury stock in 1912		435,850.00
		822,384.05
OPERATING DEFICIT:		
Balance, January 1, 1964	1,037,066.06	
Deduct:		
Net income for the year ended December 31, 1964--exhibit B . .	736.35	
		1,036,329.71
NET DEFICIT AT DECEMBER 31, 1964 . . .		$ 213,945.66

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

So. 157 Howard Street
Spokane, Washington 99204

July 16, 1965

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Memorandum

To: Chief, Division of Exploration Operations

From: Acting Field Officer, Region I

Subject: New Application (Silver)
Sidney Mining Company
Cook Claims
Owyhee County, Idaho

The preliminary research, soil sampling and results, and geologic reasoning on which this applicant bases and justifies his proposed exploration is described in some detail in the enclosed application.

Briefly, most of the production from War Eagle Mountain, and Florida Mountain, east of the Cook Claims, came from northwesterly striking veins north of three easterly striking faults; most of the production from Delamar Mountain came from similarly striking veins within the area of easterly striking faults. Malcolm C. Brown, mining engineer and president of the applicant company, compiled a map on a township plat base from available geologic maps of the War Eagle -Florida Mountain and Delamar Mountain areas, and the best available topographic map he could find. Based on topography and field observations he projected the three easterly striking faults from the Delamar area to faults in the War Eagle area. Soil samples taken in the areas of known production indicated consistently that productive vein zones are surrounded by halos of high arsenic and high mercury anomalies; that there are little or no arsenic anomalies and low mercury anomalies in the vein zones; and that there are high heavy metal anomalies within the vein zones. Similar geochemical sampling was then done on the Cook Claims. Assays of these samples indicate several areas of low mercury, low arsenic, and high heavy metal anomalies.

It is proposed to explore these areas by trenching which, if successful, is to be followed up by diamond drilling. It is concluded that further exploratory work on the Cook Claims is warranted and that the applicants proposal is reasonable and feasible and should be approved. However, there are several problems apparent, suggested solutions to which will now be discussed.

1. The applicant does not yet control the Ajax Claim which the Cook Claims surround, nor the Oregon Group adjacent to and for the most part outside of the southeast part of the Cook group. The applicant

is attempting to purchase these claims and if successful will include them in the contract. However, even if they cannot be acquired a specification that OME will not contribute to any work within a stated number of feet of an exterior boundry would remove this problem.

2. The curved pattern of the proposed trenches shown on Exhibit 5-a-1 is, in general, controlled by the topography. However, trench 4 at the easterly end splits into a northwesterly-southeasterly trench. It would perhaps fit the picture better if trench 4, instead of swinging northerly, were continued along the contour indicated by the trace of the Chatauqua fault, and if trench 5 were extended southeasterly to pass about 300 feet southerly of the portal of tunnel A. The northwesterly-southeasterly trench should not then be necessary. The northwesterly branch trench shown at the end of trench 4 and the northerly trench therefrom are intended to open the caved portals of tunnels A and B. This should be for the applicants account. None of the evidence of potential ore zones and their strikes seems to justify a northerly trench and therefore the proposed tunnel A-tunnel B trench should be denied.

3. The locations of the proposed diamond drill holes cannot be determined, as Brown points out, until the results of the treching, sampling, and geologic mapping are completely recorded and appraised. However, a second stage providing for 3,200 linear feet of drilling from sites mutually acceptable to the operator and the government could be set up.

4. For a man of Brown's experiance $1,000 per month is not high and for the proposed geologic mapping and soil sampling on a full time basis during the trenching stage is warranted. During the drilling stage, the hole locations, core logging, and core sampling could be done on a consulting basis but for each visit at least 3 days should be allowed for travelling between the property and Kellogg, Idaho - 1½ days each way. The estimated cost for dozing appears to be high. Either bids should be required or the rate that is used for the work Hilpert may reccommend at the nearby Continental Quicksilver project - OME-6455 - could be used. In the absence of bids, mobilization and drilling costs used at Continental would also be fair at the project as the type of ground to be drilled is essentially the same at each property, and the distance between them is short.

D. R. MacLaren

Enclosure

DRMaclaren:dc

cc: Director's reading file
Resources Research Branch Chief
Docket
Chrono

MME Form 40
Jan. 1965

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OME
SPOKANE, WASHINGTON

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Budget Bureau No. 42-R1368
Approval expires Dec. 31, 1968

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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.)*

Sidney Mining Company
102 First Security Bldg.
Kellogg, Idaho 83837

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER 6481

DATE RECEIVED 7-22-65

REGION I

DIVISION CODE

BUSINESS ORGANIZATION *(Check one)*

INDIVIDUAL [ ]
CORPORATION [X]
PARTNERSHIP [ ]
OTHER *(Specify)* [ ]

STATE IN WHICH FIRM IS ORGANIZED Idaho

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
M. C. Brown	102 First Security Bldg. Kellogg, Idaho 83837	President
E. K. Barnes	1008 West 19th Avenue Spokane, Washington 99203	Vice President
Ben Smick	416 Hutton Building Spokane, Washington	Secretary-Treasurer

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE
Silver

ESTIMATED COST OF PROJECT
$ 40,802.00

PROPERTY NAME	LOCATION COUNTY	STATE
Cook	Owyhee	Idaho

GENERAL INSTRUCTIONS

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

CERTIFICATION

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

July 9, 1965
DATED

M C Brown
BY *(Signature)*

President
TITLE

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

INFORMATION REQUIRED WITH THIS APPLICATION

1. Financial Eligibility:

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

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

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

2. Applicant's Rights in Land:

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

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

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

3. Physical Description:

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

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

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

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

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

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

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

4. Accessibility of Property:

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

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

5. Exploration Work:

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

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

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

6. Experience:

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

7. Estimate of Costs:

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

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

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

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

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

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

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

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

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

Sidney Mining Company
102 First Security Bldg.
Kellogg, Idaho 83837

1. a. Attached hereto (Exhibit 1-a) are photocopies of correspondence in which Sidney Mining Company attempted unsuccessfully to obtain a loan from both of its banks of account, the Idaho First National Bank and the National Bank of Washington.

   b. Sidney has no affiliated, parent or controlling companies.

   c. To cover our share of the cost we propose to apply funds which will be received from the Laura-Bell Lease as reimbursement of capital advances made by Sidney which enabled that venture to reach the production stage.

2. a. The property is owned outright by Sidney Mining Company by virtue of a Deed executed by Ben Smick and Hazel Smick and a Deed executed by M. C. Brown and Nancy Brown, recorded at page 321 and 324, respectively, of Book 57 of Deeds, of the records of Owyhee County, Idaho. There are no liens, mortgages or other encumbrances.

   b. The property is known as the Cook Group of unpatented lode mining claims situated in Carson mining district, Owyhee County, Idaho, consisting of forty-eight lode claims located and named as "Cook 1" to "Cook 48", inclusive, said notices of location being recorded in the records of Quartz Locations of Owyhee County, Idaho, as follows:

Claims	Book	Pages
Cook 1 to Cook 48, inclusive	26	377 to 424, inclusive

   The area of the Cook Group is reduced by conflicts with five prior unpatented claims owned by other parties. These prior locations, the Ajax claim and the Oregon Group of four claims, are outlined by dashed lines on the various maps attached hereto. We are attempting to buy these claims and, if we are successful, they will be added to the OME contract on the Cook Group.

   c. There are no encumbrances.

3. a. Tunnels A, B and C, and placer operations between Tunnels A and B (Plate 7, Brown Report, 1965) were done by persons unknown at times unknown during the past century. The tunnels are caved at their portals but, judging by the dumps, were not long. Bulldozer cuts D, E, F and G, on the same map, were excavated in 1964.

   b. The bulldozer cuts were made by Sidney Mining Company.

   c. Past production, probably only from the placer, is unknown.

   d. There are no known ore reserves.

   e. Geologic features are covered in the Brown Report, 1965 (Exhibit 3-g) attached hereto.

Sidney Mining Company
102 First Security Bldg.
Kellogg, Idaho 83837

f. We expect to find ore by the proposed exploration because the property lies in a virtually unexplored part of a major mining district, midway between two areas that were highly productive, from which major geologic structures project across our property. In the Cook Group itself occur geochemical anomalies strikingly similar to those over the neighboring productive vein zones. The complete picture is outlined in the attached Brown Report and references therein (Exhibit 3-g).

g. Two photocopies of the only available geologic and engineering report (Brown, 1965) are annexed hereto (Exhibit 3-g) and need not be returned.

4. a. The property will be shown to any OME representatives by Malcolm C. Brown, 102 First Security Bank Bldg., Kellogg, Idaho, Phone 784-1271 (Residence 784-4571). Such meetings should be scheduled as far in advance as possible. Arrangements should be made to meet at Boise, Idaho, or Jordan Valley, Oregon, the nearest source of food and lodging, where a Jeep will be available to travel to the property.

The property may be reached by turning east from paved US 95 at Sheaville, 12 miles north of Jordan Valley. A graded dirt road leads 16 miles southeasterly to Delamar, from which a rather poor road leads over the mountain about 3 miles to the property.

b. The nearest railroad shipping point is on the Union Pacific at Marsing, Idaho, about 57 miles (of which 38 are paved) from the property. Marsing is also a supply point for the surrounding agricultural area, but mining supplies are available at Boise, about 85 miles from the property.

5. a. Refer to the following maps, on which the proposed work is indicated in green, accompanying this application:

Exhibit 5-a-1. Plan map of the Cook Group.
Exhibit 5-a-2. Section along Line A-A'.
Exhibit 5-a-3. Section along Line B-B'.

We propose first to make bulldozer trenches, thru colluvial surface debris estimated to average 6 feet in depth, to expose bedrock in place across the areas of anomalously low mercury and high heavy metals. These trenches, numbered 1 to 7 on Exhibit 5-a-1, aggregate about 20,800 linear feet. Trench 4 would include scraping away the caved portals of the tunnels at A and B, so that they may be mapped. Some of these trenches, perhaps all, will serve as drill roads during the second stage of the program. The trenches will be mapped geologically and sampled at 100-foot intervals to be analyzed by geochemical techniques for traces of heavy metals, mercury and silver. Anomalous indications will be followed up by more closely spaced sampling. At the same time the previous samples, platted on Plate 2 of the Brown 1965 Report, will be analyzed for

silver, and mercury determinations will be made on those not previously analyzed for that metal. The heavy metals and silvers would be run by Pioneer Geochemical Laboratory of Spokane, which has only recently set up for the new sensitive silver method developed by Nakagawa and Lakin of the U. S. Geological Survey. Mercury would be run by the Cordero laboratory in Winnemucca, Nevada.

At this stage, after a careful study of the augmented geological and geochemical data, and consultation with OME geologists, sites would be selected for diamond drill holes to penetrate the most promising anomalous zones at depths ranging from 50 to 400 feet. Data from each drill hole would be used in determining orientation of succeeding holes until an aggregate of about 3200 feet has been drilled. Geochemical analyses of the sludge samples will be made to determine mineralized sections justifying standard fire assays.

In summary, the program calls for 20,800 linear feet of bulldozer trenching and 3,200 linear feet of diamond drill hole, with concurrent geologic mapping and sampling.

b. No additional access road is required except single-pass blading while the dozer moves from one trench site to another.

c. The work will start within 30 days after the execution of an OME contract and require about five months for completion. This is based on an estimated progress of 21,000 linear feet of trenching per month, one month for mapping, analyses and appraisal, and 3 months at 60 feet per day (two shifts) of drilling. It is hoped that a contract can be signed in time to start the work about August first. If it is not possible to complete the project before heavy snowfall, part of the drilling may have to be deferred until spring, but in any event should be completed before June 30, 1966.

6. Sidney Mining Company was incorporated under the laws of the State of Idaho in June, 1910. It operated the Sidney mine, near Kellogg, until exhaustion of ore reserves forced suspension of operation in February, 1960.

The proposed exploration project will be under the direction of Malcolm C. Brown. Mr. Brown obtained the degree of Engineer of Mines from the Colorado School of Mines, is a Registered Professional Engineer in the State of Idaho and has been active in mining practice in the Coeur d'Alene district for the past 28 years. He was employed as engineer and geologist for the Bunker Hill Company for six years, leaving to become Superintendent for Sidney Mining Company in June, 1943. He subsequently became General Manager and in 1953 became President and Director of Sidney, a position he holds at present. During the past 10 years he has been actively engaged in exploration of many mineral prospects in western North America.

Sidney Mining Company
102 First Security Bldg.
Kellogg, Idaho 83837

7. a. It is expected that the bulldozer trenching and diamond drilling will be done by independent contractors. We have not asked for bids on this work because the bidder is influenced by so many factors, such as the size of the job and availability of other work, that he would want to rebid when the job has crystallized to the point where these factors can be better evaluated. Based on considerable experience in these fields, we believe that the following estimates are very close and can be met or bettered when we actually call for bids.

Bulldozer Trenching

For the bulldozing we hope to find a D-8 Caterpillar with hydraulic angledozer and hydraulic ripper. Such a machine with operator, should rent for about $25.00 per operating hour, plus an estimated $400.00 for moving in and out. Considering the conditions of soil, topography and grade for each individual trench we estimate the average cost as follows:

	Cost per linear foot	Cost per cu. yd.	Total Cost (20,800 lin. ft.)
Operating cost	$0.224	$0.113	$4,650.00 100%/hr
Moving cost	0.019	0.010	400.00 say 100%/20
Total	$0.243	$0.123	$5,050.00

Diamond Drilling

We expect the drilling contractor to use a truck-mounted rig, starting each hole BX to allow casing thru overburden and faulted or broken ground and to finish with AX. BX hole may be expected to cost about $8.00 per foot and AX about 7.25 per foot, averaging overall about $7.50 per foot. Costs of moving in and out will depend on the distance involved, but since the headquarters of most drilling contractors are quite far from this job we may expect as much as $1,000.00 mobilization charges. Following is an estimate of the cost per foot and total cost of contract diamond drilling:

	Cost per foot	Total Cost (3,200')
Drilling	$7.500	$24,000.00
Mobilization	0.313	1,000.00
	$7.813	$25,000.00 3,200

b. Following is a schedule of personal services itemized by number and classes, salary and period of employment. Such services are available.

Sidney Mining Company
102 First Security Bldg.
Kellogg, Idaho 83837

Classification	Number	Estimated Cost
Engineer-geologist-supervisor (Includes salary, subsistence & travel expense)	1	$1,000.00 per month

Following is a distribution of estimated cost per unit and total costs of engineering, supervision, sampling, etc. for the project:

	Total Units	Cost per Unit	Total Cost
Trenching	20,800 lin. ft.	$0.048	$1,000.00
Drilling	3,200 ft.	0.937	3,000.00
Misc., mapping, etc.	1 month		1,000.00
	Total		$5,000.00

c. Following is a distribution of estimated cost per unit and total costs of operating materials and supplies for trenching:

	Cost per foot	Total Cost (20,800 ft.)
Sample containers	$0.003	$60.00

Following is a distribution of estimated cost per unit and total cost of operating materials and supplies for drilling:

	Cost per foot	Total Cost (3,200 ft.)
Core boxes	$0.102	$325.00
Sample containers	0.062	200.00
Total	$0.164	$525.00

d. As operating equipment the Company will furnish one Jeep four-wheel-drive pickup for a rental of $0.07 per mile, covering fuel, tires, repairs and all other costs. We estimate that it will be driven about 1500 miles per month.

Following is a distribution of estimated cost per unit and total costs of this equipment for the project:

	Total Units	Cost per Unit	Total Cost
Trenching	20,800 ft.	$0.005	$105.00
Drilling	3,200	0.098	315.00
Misc., mapping, etc.	1 month		105.00
	Total		$525.00

e. Initial rehabilitation and repairs: None.

f. New buildings, fixtures and installations: None.

Sidney Mining Company
102 First Security Bldg.
Kellogg, Idaho 83837

g. Miscellaneous charges include accounting, payroll taxes, industrial compensation and liability insurance, and chemical analytical work. Prices of chemical analyses are as follows:

Mercury, Cordero Lab, Winnemucca	$2.50
Heavy Metals, Pioneer Geophysical, Spokane	0.63
Silver, Pioneer Geophysical, Spokane	1.72

Following is a distribution of estimated cost per foot and total cost of miscellaneous charges for trenching:

	Cost per foot	Total Cost (20,800')
Accounting	$0.001	$ 25.00
Payroll taxes	0.002	42.00
Ind. comp. & liability ins.	0.001	17.00
Chemical Analyses (300 for Hg,Ag,HM)	0.070	1455.00
Total	$0.074	$1539.00

Following is a distribution of estimated cost per foot and total cost of miscellaneous charges for drilling:

	Cost per foot	Total Cost (3,200')
Accounting	$0.023	$ 75.00
Payroll taxes	0.039	126.00
Ind. comp. & liability ins.	0.016	51.00
Chemical Analyses (640 for Ag, HM)	0.471	1504.00
Total	$0.549	$1756.00

Following is a distribution of estimated cost of miscellaneous charges in connection with general geologic mapping and evaluation, including mercury and silver analyses of samples already taken:

	Total Cost
Accounting	$ 25.00
Payroll taxes	42.00
Ind. comp. & liability ins.	17.00
Chemical analyses (230 for Hg, 400 for Ag)	1263.00
Total	$1347.00

Ok

Sidney Mining Company
102 First Security Bldg.
Kellogg, Idaho 83837

7. g. Following is a summary of the estimated cost for the entire project:

	Estimated Cost Per Unit	Estimated Total Cost	
Trenching (20,800 feet)			
Contract bulldozer	$0.243	$5,050.00	
Engineering-supervision	0.048	1,000.00	
Materials and supplies	0.003	60.00	
Equipment rental	0.005	105.00	
Miscellaneous	0.074	1,539.00	
Total Trenching	$0.373		$ 7,754.00
Diamond Drilling (3,200 feet)			
Contract drilling	$7.813	$25,000.00	
Engineering-supervision	0.937	3,000.00	
Materials and supplies	0.164	525.00	
Equipment rental	0.098	315.00	
Miscellaneous	0.549	1,756.00	
Total Diamond Drilling	$9.561		30,596.00
Miscellaneous mapping and sampling			
Engineer-geologist		$1,000.00	
Equipment rental		105.00	
Miscellaneous		1,347.00	
Total Misc. Mapping and Sampling			2,452.00
PROJECT TOTAL			$40,802.00

SIDNEY MINING COMPANY
102 WEBER BANK BUILDING
KELLOGG, IDAHO

5 May 1965

Mr. J. G. Giles, Manager
Kellogg Office
Idaho First National Bank
Kellogg, Idaho

Dear Mr. Giles:

Sidney Mining Company has acquired a promising group of 48 mining claims, covering nearly 1½ square miles, in a virtually unexplored area midway between the old Dewey and Delamar mines in the historic Silver City District of Owyhee County, Idaho.

Limited bulldozer trenching last fall apparently confirmed the projection of major geologic structures, and geochemical anomalies show a pattern strikingly similar to that obtained over the known productive neighboring vein zones. We believe that a relatively modest amount of additional bulldozer trenching and shallow drilling has an unusually good chance to discover orebodies that do not outcrop and so escaped detection by early-day prospectors.

To accomplish this work during the coming summer season, Sidney is seeking to borrow $30,000. To apply to the repayment of the loan we would give a lien on Sidney's share of the income from the Laura Bell uranium lease of Blanding, Utah. Sidney advanced money for the successful exploration and development of this lease. The property is now in production and Sidney's receipts therefrom should be sufficient to repay the proposed loan before the end of the year.

We will be glad to meet with you, at your convenience, to show you maps, engineering reports and detailed plans of the proposed project.

Yours very truly,

M. C. Brown
President

MCB:hs

EXHIBIT 1-a

KELLOGG OFFICE

The Idaho First National Bank

ESTABLISHED 1867

KELLOGG, IDAHO

May 11, 1965

Mr. M. C. Brown, President
Sidney Mining Company
102 First Security Bank Building
Kellogg, Idaho

Dear Mr. Brown:

Your letter, requesting consideration of a $30,000.00 loan for development of a mineralized zone in the Silver City district of Owyhee County, Idaho, has been reviewed. The plans for the summer season are promising and should bring encouragement for the development of the area.

Our bank believes development of this type should be financed by stock sale. It will not be possible for us to provide you with the necessary financing to do the bulldozing and drilling.

We sincerely desire to be of service to you in banking wherever possible and sorry it is not possible to accommodate you on this particular request.

Yours very truly,

J. G. Giles
Manager

JGG:pc

Exhibit 1-a

SIDNEY MINING COMPANY
202 WEBER BANK BUILDING
KELLOGG, IDAHO

27 May 1965

Mr. Carl C. Kiilsgaard
Senior Executive Officer
National Bank of Washington
P. O. Box 327
Spokane, Washington 99210

Dear Sir:

Sidney Mining Company has acquired a promising group of 48 mining claims, covering nearly 1½ square miles, in a virtually unexplored area midway between the old Dewey and Delamar mines in the historic Silver City district of Owyhee County, Idaho.

Limited bulldozer trenching last fall apparently confirmed the projection of major geologic structures, and geochemical anomalies show a pattern strikingly similar to that obtained over the known productive neighboring vein zones. We believe that a relatively modest amount of additional bulldozer trenching and shallow drilling has an unusually good chance to discover orebodies that do not outcrop and so escaped detection by early-day prospectors.

To accomplish this work during the coming summer season, Sidney is seeking to borrow $30,000. To apply to the repayment of the loan we would give a lien on Sidney's share of the income from the Laura Bell uranium lease of Blanding, Utah. Sidney advanced money for the successful exploration and development of this lease. The property is now in production and Sidney's receipts therefrom should be sufficient to repay the proposed loan before the end of the year.

We will be glad to meet with you, at your convenience, to show you maps, engineering reports and detailed plans of the proposed project.

Yours very truly,

M. C. Brown
President

MCB:hs

Exhibit 1-a

ESTABLISHED 1888

National Bank of Washington

INLAND EMPIRE BANKING CENTER

June 2, 1965

POST OFFICE BOX 327
SPOKANE, WASHINGTON 99210

Mr. M. C. Brown, President
Sidney Mining Company
102 Weber Bank Building
Kellogg, Idaho

Dear Sir:

Thank you very kindly for the loan request of the Sidney Mining Company to develop its property in Owyhee County, Idaho. I am sorry that we are not considering mining ventures at that distance at this time. NG

I might suggest that you contact the banks in the Boise area who may be more familiar with the property and more responsive to your terms.

Very truly yours,

Carl C. Kiilsgaard

Carl C. Kiilsgaard
Senior Executive Officer

CCK/go

Exhibit 1-a

PRELIMINARY REPORT ON THE COOK GROUP

Silver City District, Owyhee County, Idaho

for

SIDNEY MINING COMPANY

Kellogg, Idaho

SUMMARY

Silver City has been the most productive precious metal district in Idaho. Ore deposits are of the epithermal silver-gold type, which characteristically extend long distances both horizontally and vertically. The Cook Group of 48 claims covers an area of geochemical anomalies in a virtually unexplored part of the district where the geochemical pattern is very similar to that developed over previously productive mines. The claims can be explored easily and relatively cheaply by dozer trenching and drilling.

LOCATION AND ACCESSIBILITY

The Silver City district is located in the Owyhee Range in northwestern Owyhee County, Idaho. The best access road is from Sheaville on U. S. Highway 95, 12 miles north of Jordan Valley, Oregon. A graded dirt road leads 16 miles southeasterly to Delamar, from which Silver City is 7 miles farther east.

HISTORY AND PRODUCTION

Silver City has been Idaho's premier precious metal mining district. Since its discovery in 1863 Owyhee County is officially credited with production of about $42.0 million, almost equally divided between silver and gold. Most of the production was prior to the advent of improved recoveries by cyanidation and at little more than half of current prices. Today the same ore would probably bring three times as much. The mines of War Eagle Mountain are credited with about $15 million, Florida Mountain $13 million, Delamar Mountain $12.5 million, with Flint and South Mountain less than $1 million each.

Production began from discoveries on War Eagle Mountain in 1863 but, despite active prospecting in the surrounding area, it was 16 years later (1879) that the first commercial orebodies were discovered on Florida Mountain and Delamar Mountain. Yet each of the latter went on to produce nearly as much as War Eagle, a striking demonstration that rich orebodies could be overlooked for many years even tho they apexed only a few tens of feet below the surface.

Exhibit 3-9

GENERAL GEOLOGY AND STRUCTURE

Within the Silver City District a granitic stock, intrusive into Carboniferous sediments outside the area, is overlain by Tertiary extrusive basalt and that in turn by a series of rhyolite flows. (Lindgren, 1900, p. 116).

The area is rather complexly faulted by fracture sets striking north, east, northeast and northwest. Piper and Laney (1926, p. 38) believe that they recognize three distinct sets of fractures, each related to one of three major periods of diastrophism: pre-rhyolite, post-rhyolite pre-mineral, and post-mineral.

The most prominent faults are the "iron dikes" of the Delamar district, a set with quite uniform east-west strike and flat southerly dip, three of which were named the Chatauqua, Delamar and Henrietta faults. They are characterized by great widths of clay gouge, frequently containing disseminated pyrite where penetrated by mine workings at Delamar. Piper and Laney (1926, p. 45) recognize that "fractures of the same set strike across the southern part of the region close to Silver City, altho they are distributed across a wide zone of shearing that is not readily traceable". However, they apparently made no attempt to correlate these faults with those at Delamar.

Piper and Laney reached the conclusion, based mainly on the Delamar mine manager's description of "drag ore" that this east-west set is post-mineral. Yet Lindgren, an unusually acute observer, classified them in 1900 as pre-mineral. The productive veins of War Eagle and Florida Mountains, which lie north of the east-west fault zone, mostly occupy north-striking fractures. The Delamar veins lie between the east-west faults in fractures striking northwesterly, which Piper and Laney ascribe to post-mineral rotation. Logic suggests that the east-west faults may have been a major pre-mineral feature of the area and played a dominant part in opening the vein fractures, then post-mineral movement resulted in the "drag ore".

HYDROTHERMAL ALTERATION

The granite, basalt and rhyolite are extensively softened by chloritization, propylitization, sericitization and kaolinization in the vicinity of the orebodies. The resulting smooth erosion surfaces, deeply covered with fine debris, are a striking physiographic feature of the productive areas. On the other hand, hydrothermal silicification of the rocks appears (to the writer) to be more wide-spread and generally farther from the productive veins. Particularly in the rhyolite, the bold siliceous reefs, from which there has been only minor production, nearly monopolized the efforts of the prospectors, apparently the reason that discoveries of the orebodies on Florida and Delamar mountains were so long delayed.

VEINS AND ORES

The veins "are remarkable for their continuity along both strike and dip" and the ore shoots "extend from granite into basalt, and upward into rhyolite without material changes in richness" (Piper and Laney, 1926, p. 67-69). The gold and silver content of the ores is in the form of native metals (electrum) or of minerals in which the proportion of silver is large, predominately naumanite, argentite, and the ruby silvers. Principal gangue minerals are massive quartz, lamellar pseudomorphic quartz and adularia. The gold-silver ratio for the entire area is about 1:30, but varies from 1:138 at Florida Mountain to 1:15 at Delamar to 1:1.1 on War Eagle Mountain (Piper and Laney, 1926, p. 119, p. 95, p. 136).

Nolan (1933, p. 626 & 632) places Silver City in the silver-gold classification of epithermal deposits. This system of classification divides epithermal precious metal deposits into two categories, based on the ratio by weight of gold to silver in hypogene ore, with the following characteristics:

1. Silver-gold deposits (more silver than gold by weight)

   a. In well-defined fractures, commonly of tectonic origin, that may extend for long distances both horizontally and vertically.

   b. Ore minerals include electrum, argentite, silver sulfosalts, selenides, and minor base metal sulfides, but no tellurium.

   c. Quartz, commonly banded, is the most abundant gangue; carbonates are also widespread.

   d. Wide-spread wall rock alteration.

2. Gold-silver deposits (more gold than silver by weight)

   a. In fractures generally small and discontinuous, which often appear to be genetically related to the emplacement of the igneous rocks with which they are associated.

   b. Ore minerals include free gold, tellurides and minor base metal sulfides, but no selenium, argentite or silver sulfosalts.

   c. Quartz, commonly comby, is the most abundant gangue; often fluorite, alunite and kaolinite are present.

   d. Wallrock is commonly unaltered beyond a few inches or at most a few feet from the vein.

Piper and Laney believe that the richer ores occurred in well defined shoots, whose rather flat rake was probably determined by a

system of cross fractures, but generally the operators looked for ore on lower levels directly below ore on the level above. They say "In many instances such development work as was done indicates clearly that the operators had little or no conception of the geological features of the deposits, especially the pitch of the ore shoots . . . In fact, it is believed that never before nor since has so little real exploratory work been done in so important a mining district." (Piper and Laney, 1926, p. 71-72).

THE COOK PROJECT

While studying the literature in May, 1964, the writer transferred the three separate maps of Piper and Laney to a single map on a township plat base, giving for the first time a clear view of the relationship of the three areas of production. On this map (Plate 1), using an enlargement of the best but crude topography available, the Chatauqua, Delamar and Henrietta faults were projected eastward across the intervening area toward Silver City. They appear to correlate satisfactorily with the east-west faults mapped by Piper and Laney south of Silver City, suggesting that this zone may well be the most persistent and important structural feature of the area.

Four reconnaissance lines of soil samples showed such interesting geochemical anomalies that the Cook Group of 48 contiguous claims was located covering Cook Mountain, midway between Florida Mountain and Delamar Mountain. Analyses of these and several hundred subsequent soil samples are plotted on Plate 2. Plate 3 is pantographed to the same scale from Piper and Laney's Delamar map with the addition of three of the veins projected to the surface from their underground maps. A series of soil samples appears to show the following features:

1. The productive vein zone is surrounded by a halo of high arsenic, with little or no arsenic in the zone.

2. Heavy metal anomalies occur in the vein zone.

3. The veins occur in zones of anomalously low mercury surrounded by anomalously high mercury haloes.

Plate 4, pantographed from Piper and Laney's map of Florida Mountain, shows similar relationships, except that the anomalously low mercury zone is more prominent and no anomalous highs appear. However, it may be noted that mercury is higher away from the vein zone than in the zone.

Plate 5 shows the mercury deviations in the central part of the Cook area from a plane trend surface developed by regression analysis (Link, R. F., 1964, p. 11; Koch, G. S., 1964; Conner, J. J., 1964). Plate 6 similarly shows heavy metal deviations from a bi-planar trend surface. Both of these maps illustrate more clearly the northwesterly anomalies along the projected Delamar fault.

Turning back to Plate 2, it can be seen that the pattern of anomalies along the projected Delamar fault is strikingly similar but broader than those over the Delamar vein-zone. Likewise the north-south lineations of Florida Mountain (Plate 4), which is north of the east-west fault zone, are similar to the patterns on the north part of the Cook Group. These comparisons suggest that in Cook Mountain lie veins of both the Delamar and Florida Mountain types. The broader distribution of anomalies on the Cook Group suggest three possible explanations:

1. The source of the Cook geochemical anomalies may be at greater depth, giving an effect analagous to the greater spread of certain geophysical anomalies from a deep source compared to those from a shallow source.

2. The Cook anomalies may come from bigger and more heavily mineralized veins.

3. They may come from average veins with disseminated mineralization between them. This brings forward the possibility of large open-pit operations, a phase that perhaps was not adequately explored in the old mines. Lindgren (1900, p. 141) describes two crosscuts 550 feet or more westerly from the Trade Dollar vein on Florida Mountain, each as being "nearly its whole distance in bluish mineralized basalt, containing some pyrite and assaying up to $1 in gold and $2 in silver per ton". At 1899 prices this would mean about 0.05 oz gold and 3.3 oz silver. At 1965 prices it would be about $1.75 and $4.30 respectively, or $6.05 per ton.

There was little time for geologic mapping during the 1964 season. Some random observations made in the course of soil sampling and claim staking are recorded on Plate 7. At several points the projection of the Delamar fault is supported by changes in rock float, drainage alinements, and particularly the gouge zone exposed in the dozer cut at 39,400N, 18,800E.

Three more bulldozer cuts in this area were made on mercury highs before the geochemical pattern, developed several months later, showed that the mercury lows should be investigated rather than the highs. These cuts exposed some hydrothermal alteration and some weak limonitic veining. Mercury determinations on bedrock samples from these cuts ran close to the average of the soil samples in the immediate vicinity, but with much smaller variance.

Propylitic alteration was observed in the basalt at the mouth of Jacobs Gulch and it is believed that hydrothermal alteration is quite prevalent on the ridge between Jacobs Gulch and Sullivan Gulch.

FUTURE EXPLORATION

A logical plan for exploration of the Cook Group would involve following the Delamar fault with a bulldozer trench to bedrock, exposing

any evidence of veins in the immediate footwall. This, with concurrent geologic mapping and filling in of the wide-spaced geochemical grid, should delineate several targets for drilling to depths probably not exceeding 200 feet.

Only rarely is there an opportunity for such simple and cheap exploration where the potential discoveries could be so rewarding. It is believed that a relatively modest expenditure might very well bring the project to the mill-planning stage.

Malcolm C. Brown
MALCOLM C. BROWN

Kellogg, Idaho
28 April 1965

REFERENCES

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UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

MAY 5 1971

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I
OME-6481 (Gold-Silver)
Sidney Mining Company
Cook Claims
Owyhee County, Idaho
Contract 2215

INTRODUCTION

This report summarizes an OME project to explore for gold-silver ore bodies that were indicated by soil sample anomalies about 3 miles west of Silver City, Idaho. The contract, dated February 28, 1966, for a total estimated cost of $40,208.00, of which the Government would contribute 62-1/2 percent or $25,130.00, was amended 4 times. Work, started in May, 1966, and terminated December 17, 1966, consisted of bulldozing 1.7 miles of access road, 2130 linear feet of trench, 14 drill sites and drilling eight holes, aggregating 1784.6 feet. Total accepted cost of the work was $23,036.57, of which the Government contributed $14,397.86. No ore was found and the Operator was notified on September 20, 1968, that the Government retains no claim or lien against the property subject to the contract or any future production therefrom.

OPERATOR

Sidney Mining Company
123 McKinley Avenue
Kellogg, Idaho 83837

Officers include:

President: M. C. Brown
123 McKinley Avenue
Kellogg, Idaho 83837

Vice President: E. K. Barnes
1008 West 19th Avenue
Spokane, Washington 99203

Secretary-Treasurer: Ben Smick
418 Symons Building
Spokane, Washington 99204

SUMMARY FINAL FIELD REPORT

PROPERTY

The property consists of 50 unpatented claims, known as the Cook Group, and one-half interest in five unpatented claims lying within the Cook Group, all in parts of secs. 2, 3, 10, and 11, T. 5 S., R. 4 W., in the Carson mining district, Owyhee County, Idaho (Figure 1 - Location maps and cross-sections, Cook claims, Owyhee County, Idaho).

The wholly-owned Cook Group comprises the Cook 1 to Cook 48 claims, inclusive, recorded in the records of Quartz locations of Owyhee County at the County courthouse, Murphy, Idaho, in Book 26, pages 377 to 424, inclusive. These claims were held by the Operator under deeds executed by Ben and Hazel Smick and by M. C. and Nancy Brown, recorded in Book 57 of Deeds of said County, at pages 321 and 324, respectively. Two unpatented claims, Cook No. 49 and Cook No. 50, located by the Operator, are recorded in the Records of Owyhee County, State of Idaho, Book 27, pages 409 and 410, respectively.

The five claims in which the Operator had a one-half interest are the Oregon No. 1, Oregon No. 2, Spitfire, Red Cloud, and Ajax, recorded in Book 26, pages 17, 19, 21, 23, and 345, respectively. The one-half interest in the claims was held by the Operator under deed executed by Paul Freed, and recorded on page 225, Book 58 of Deeds, Owyhee County, Idaho.

The claims are south of the Jordan river and at altitudes between 6,000 and 6,800 feet. The property is accessible from Jordan Valley, Oregon, by about 14 miles of dirt road that follows Trout Creek to the junction with the Cow Creek road; here, turn right and proceed up Cow Creek for 2.5 miles, turn right, ford Jordan Creek, and follow the road around the west and south side of DeLamar mountain. In snowy or wet weather it is best to leave Jordan Valley on U. S. highway 95, travel north for 9 miles; turn right and follow gravel road to Sheaville; turn right and follow graded dirt and gravel road for about 15 miles up Cow Creek, then turn right and follow road around the west and south side of DeLamar mountain.

GEOLOGY

The Cook group of claims is in an area about which little is known concerning the geology. The geology in the Silver City area to the east and the DeLamar area to the west has been studied rather intensively, and because of the mines, bedrock has been studied underground. In the Silver City area (figure 1), granitic stocks which have intruded carboniferous rocks are overlain by Tertiary basalt in turn overlain by rhyolite. All these rocks are complexly faulted. In the DeLamar area, the ore deposits are found beneath flat-dipping faults ("iron-dikes") that cut and offset Tertiary rhyolites and basalt. It is assumed that Tertiary volcanic rocks cover the Cook claim area.

Deep overburden, in some places more than 10 feet thick, obscures most of the bedrock on the Cook claims. About the only outcrop in the central part of the Crook Group is a mass of bleached and silicified rhyolite with prominent crumpling of flow banding (Operator's application report). No ore deposits are known on the Cook claims; however, the Operator anticipated finding ore that would average 0.587 ounces gold and 25.7 ounces silver per ton, based on an average of the ore found in the Silver City and DeLamar districts.

Results of a soil sampling program convinced the Operator that fault zones, favorable for ore in the DeLamar district, crossed the Crook claims (figure 1). Bulldozed trenches, part of the location work on the claims, disclosed zones of clay that appeared to be gouge along fault zones. Soil sampling found that mercury and arsenic were low within the fault zones but increased away from the zones; there are weak heavy-metal anomalies along the zones. Assay data of bedrock samples were low in silver, however, the Operator reasoned that if the assay data were high, more prospecting would have been done years ago when the DeLamar and Silver City mining districts were active.

PURPOSE OF PROJECT

The purpose of the project was to explore by trenching and surface diamond drilling for gold-silver deposits in northwesterly striking veins near east-west faults in anomalous areas indicated by soil sampling.

CONTRACT

The contract, dated February 28, 1966, required that work start on or before June 1, 1966, and be completed within 6 months from the date of the contract. The work was to consist of bulldozing necessary access roads, six trenches, and sixteen drill sites, and drilling sixteen diamond core holes.

ESTIMATED COST OF THE WORK

Actual Costs

Category (1) Independent Contracts

Bulldozing

Mobilization and demobilization of bulldozer	$ 400.00
Bulldozing access roads, trenches, and drill sites, 75 hours @ $30.00/hr.	2,250.00

Drilling

Mobilization and demobilization of drill	$ 1,200.00	
Overburden,		
80 ft. @ $12.40/ft.	992.00	
Diamond core,		
3,200 ft. BX standard core size @ $8.75/ft or AX standard core size @ $8.10/ft.	28,000.00	
Reaming and casing,		
400 ft. @ $5.00/ft.	2,000.00	
Cementing,		
50 hours @ $12.00/hr.	600.00	
Drilling out cement,		
400 feet @ $1.50/ft.	600.00	
Lumnite cement,		
48 sacks @ $6.75/sack	324.00	
		$36,366.00

Category (2) Personal Services

None except:

Subcategory (a) Supervision and Technical Services

1 Supervisor-engineer-geologist

3.0 months @ $750.00/month	2,250.00

Category (7) Miscellaneous

None except:

F.I.C.A. and other insurance		
@ 15% (rounded to)	$ 340.00	
Total Estimated Actual Costs		$38,956.00

Fixed Unit Costs

Incidental cost for each foot of drill hole,		
3,200 ft. @ $0.21/ft.	672.00	
300 core boxes @ $1.00/each	300.00	
160 sample sacks @ $0.25/each	40.00	
80 assays for gold and silver @ $3.00/assay	240.00	
Total Estimated Fixed Unit Costs		1,252.00
Total Estimated Cost of Project		$40,208.00
Government participation @ 62-1/2%		25,130.00

The contract was amended 4 times as follows:

Amendment No. 1, dated June 10, 1966, permitted use of D-9 Caterpillar bulldozer with ripper, D-8 H-46A Caterpillar with ripper, or equivalent equipment of another make.

Amendment No. 2, dated September 6, 1966, added the Cook No. 49 and Cook No. 50 to part of the land referred to in Article 2 of the contract. These claims were recorded in Book 27, pages 409 and 410, Records of Owyhee County, State of Idaho.

Amendment No. 3, dated December 2, 1966, permitted the drilling of no more than three of the sixteen planned holes to depths not to exceed 450 feet and deleted the fourth item under Actual Costs, Category (1) Independent Contracts, Drilling and substituted:

Reaming, 200 feet @ $2.50/ft.	$ 500.00
Casing, 1,200 feet @ $1.25/ft.	1,500.00

Amendment No. 4, dated Janua ry 19, 1967, suspended work between December 17, 1966 and July 1, 1967; extended time for completion of the contract from 6 to 18 months; and extended maximum period for royalty payments and for the lien to secure payments thereof from 10 to 11 years from the date of the contract.

PROJECT WORK

Project work started May 31, 1966 with flagging the locations of the trenches and reconnaissance of access routes. Two additional claims, the Cook 49 and 50 claims, were staked July 10, 1966. The bulldozer arrived on the property July 11, 1966. Access roads, totalling 1.7 miles were bulldozed to trench sites 4, 5, and 6; this required 12.5 hours at a cost of $220.50 per mile.

Seven trenches were bulldozed (Figure 1). Minimum width of trenches was 15 feet. Trench data are as follows:

Trench Number	Bearing	Length	Average depth	Remarks
OME-1	S.65°W.	470 ft.	9 feet	No bedrock. Bulldozer mired down in wet clay; trench abandoned.
OME-2	S.60°W.	410 ft.	13 feet	Same material as OME-1
OME-3	S.60°W.		16 feet	Abandoned after 1 hour's work as it appeared conditions were same as in OME-1 and 2.
R	S.89°W.	240 ft.	15 feet	Done on company account. Most material penetrated is soft alluvium; bedrock penetrated 3 feet for full length of trench.

Trench Number	Bearing	Length ft.	Average depth ft.	Remarks
OME-4	S.80°W.	200	6	Penetrated soft altered basalt-hard massive basalt ledges at each end of trench.
OME-5	N.88°W.	400	12	Penetrated hard but well jointed rhyolite and basalt.
OME-6	S.82°W.	250	6	Penetrated mostly soft, altered basalt.
Q	S.20°W.	400	9	In loose material (landslide?)

The OME trenches required 68.5 hours to excavate; trenches R and Q.required 20.5 hours. Trenching ended July 25, 1966.

Diamond drilling began September 2, 1966. Drill hole data are as follows:

Hole No.	Collar Alt. feet	Bearing	Vertical angle	Length ft.	Location co-ordinates
1	6160.5	N.87°E.	-45°	135.5	N.44208-E21207
2	6156.5	N.86°E.	-45°	120.0	N.44,373-E.21,194
3	6127.0	N.85°E.	-45°	326.0	N.44,129-E.21,109
5	6201.2	N.85°E.	-30°	100.0	N.40,924-E.22,821
7	6176.2	N.85°E.	-45°	230.4	N.41,006-E.22750
8	6197.0	N.85°E.	-40°	206.0	N.40,787-E.22,774
9	6559.0	N.50°E.	-32°	215.5	N.39,650-E.19,822
11	6564.0	N.50°E.	-45°	451.2	N.39,536-E.19,828
		Total		1,784.6	

Drilling ended December 16, 1966. Assay data from drill core samples are shown on figure 1.

Accepted costs of the work are as follows:

Actual Costs:

Bulldozing:		
D-8 H-46A Caterpillar		
Mobilization and demobilization	$ 400.00	
Bulldozing access roads and trenches, 81 hours @ $30.00/hr.	2,430.00	
D-6 Bulldozer		
Transportation to and from job	186.52	
Bulldozing drill sites, 17 hours @ $14.00/hr.	238.00	$ 3,254.52
Drilling:		
Mobilization and demobilization, 1 drill rig	1,200.00	
Core drilling, 1,688.5 ft.	12,613.25	
Overburden drilling	712.50	
Plug-bit drilling	152.00	
Reaming, 98.5 ft.	246.25	
Casing installation and removal 798 ft.	997.48	
Cementing, 21.75 hours.	261.00	
Drilling out cement	168.00	
Cement	20.00	16,370.48
Supervision		2,250.00
Taxes and insurance		281.53
Total Actual Costs		$22,156.53

Fixed Unit Costs

Incidental cost per foot for drilling	$ 374.54	
180 core boxes	180.00	
186 sample sacks	46.50	
93 assays for gold and silver	279.00	
Total fixed unit costs		$ 880.04
Total Allowable Costs of Project		$ 23,036.57
Government Participation @ 62-1/2%		14,397.86

The Government retains no equity in any supplies or materials remaining on the property as a result of the contract work.

REPORTS

The Operator submitted a satisfactory final report on August 28, 1968. The Government issued a Report of Review in June, 1967. No royalty reviews have been necessary.

PROJECT RESULTS

The project work was unsuccessful in finding ore. Operator's monthly reports include detailed drill logs and description of material in trenches. Assay data from drill core samples are shown on figure 1. Several clay zones encountered in the trenches and in the drill holes were interpreted by the Operator to be faults; however, surface alteration of basaltic rocks also results in clay-rich areas. Notwithstanding the rather sanguine interpretations made by the Operator regarding the "fault" zones and presence of scattered pyrite, there was no positive evidence of gold-silver ore in the completed work. The Operator continues to explore the general area but has found no ore body.

Apparently most of the bedrock in the explored area is basalt. In the DeLamar area, basalt underlies the productive rhyolite; therefore, the productive rocks, if they existed, might have been removed from the Cook claims.

Signed last page of

Final Summary Report
OME-6481 (Gold-Silver)
Sidney Mining Co.
Cook Claims
Owyhee County, Idaho
Contract 2215

ORIGINAL
COPY
RECEIVED
Y 19 1971
INITIALS | CODE

Thanks you all for the typing. ~~130~~ ~~120~~ HK

Willard

CERTIFICATION

The Operator was notified in a letter dated September 20, 1968, that the Government retains no claim or lien against the property subject to the contract or any future production therefrom.

PRODUCTION AND ROYALTIES

No ore has been produced from the property and no royalties are due to the Government.

SUMMARY

The project explored, by trenching and diamond drilling, areas in which geochemical prospecting had indicated weak heavy-metal anomalies. Fault zones, indicated by clay rich seams in basalt, and exposed in bulldozed trenches, were explored by diamond drilling. No positive evidence of gold-silver ore is in the drill core. Drill core samples assayed nil gold and less than 0.1 ounce silver per ton. Government participation in additional exploration on the property cannot be recommended unless much more promising evidence of ore is found.

Willard P. Puffett

Willard P. Puffett

Enclosure:

Figure 1 - Location maps and cross-sections, Cook Claims, Owyhee County, Idaho.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
5/5/71		120
		220

MAY 5 1971

AIRMAIL
CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6481 (Gold-Silver)
Sidney Mining Company
Cook Claims
Owyhee County, Idaho
Contract 2215

Enclosed are three copies of the summary final report on the subject docket. Please sign the enclosed original copy of the last page and return it to this office.

Your draft copy of the report is returned herewith.

Harold Kirkemo
gfa

Harold Kirkemo

Enclosures

cc: Director's Reading File
Mineral Resources File
OME Docket
OME Reading File
Mr. Kirkemo
130

BSLong/1 5/5/71

POST OFFICE DEPARTMENT
OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID
PAYMENT OF POSTAGE, $300

POSTMARK OF DELIVERING OFFICE

SPOKANE, WASH. POST OFFICE
MAY 10 1971

INSTRUCTIONS: Show name and address below and complete instructions on other side, where applicable. Moisten gummed ends, attach and hold firmly to back of article. Print on front of article *RETURN RECEIPT REQUESTED.*

RETURN TO

NAME OF SENDER Office of Minerals Exploration
U. S. Geological Survey

STREET AND NO. OR P.O. BOX
Department of the Interior Building
Room 4459

POST OFFICE, STATE, AND ZIP CODE
Washington, D. C. 20242

POD Form 3811 Apr. 1967 c55—16—71548-10

OME-6481 Sidney Mining Company

INSTRUCTIONS TO DELIVERING EMPLOYEE

☐ Show to whom, date, and address where delivered ☐ Deliver ONLY to addressee

(*Additional charges required for these services*)

RECEIPT

Received the numbered article described below.

REGISTERED NO.

CERTIFIED NO. 133731

INSURED NO.

DATE DELIVERED 5/12/77

(1) SIGNATURE OR NAME OF ADDRESSEE (*Must always be filled in*)

Willard Duffett

(2) SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

R R Carlson

(3) SHOW WHERE DELIVERED (*only if requested*)

File in ONE-6481

Survey Indicates Sulfide Deposits

A geophysical survey of Sidney Mining Co.'s properties in Idaho's Silver City district has indicated large bodies of disseminated sulfides, perhaps suitable for open-pit mining, president M. C. Brown aid today.

The findings were made in the last month by Hewitt Enterprises of Salt Lake City by induced polarization (IP), the geophysical method which has become standard in the search for large ore bodies of disseminated sulfides of copper, lead, zinc and iron, the Kellogg mining executive said.

The geophysicists expressed confidence that the geophysical anomalies represent deposits of metallic sulfides that must be identified and evaluated by drilling, Brown said.

Test Pondered

It is hoped that at least one test hole can be drilled before winter closes in, he said. If commercial grade sulfide mineralization is found, he added, it will be the beginning of a new era for the old Silver City district where narrow, high-grade veins were mined in early days.

The initial IP anomaly was found on Sidney's Cop group of 20 claims staked north and east of Delamar last winter over a geochemical copper anomaly, he said, and a second anomaly (or abnormality) was found on the Cop group and two more on the Cook group of claims.

Two of the anomalies are more than 100 acres in area and two are less than 50 acres, measured at 600 feet in depth, he said, and depth profiles indicate decreasing areas at shallow depths, apexing from 60 to 200 feet below the surface.

Additional mining claims were staked to protect the discoveries, he said, enlarging the Cook group to 77 claims and the Cop group to 92. Sidney's holdings now total 169 claims and a lease on 400 acres of state land, all in one contiguous group.

Bulldozer trenching of a geochemical target on the east half of the Cook group was diverted before bedrock was reached to do location work on the new mining claims but will be resumed, Brown said.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
9/20/68	Kirkemo	120
		110
		220

SEP 23 1968

Mr. M. L. Page
291 East 6th Street
Prineville, Oregon 97754

Re: OME-6481 (Gold-Silver)
Sidney Mining Company
Cook Claims
Owyhee County, Idaho
Contract 2215

Dear Mr. Page:

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

This correspondence relates to the Lien and Subordination Agreements executed by you on March 15, 1966, under the Office of Minerals Exploration program.

Sincerely yours,

FRANK E. JOHNSON (GLA)

Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosure

cc: Director's Reading File
Economic Geology File
OME docket
OME Reading File
OME Region I
Mr. Kirkemo
130

GLAult/a 9-20-68

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
GEOLOGICAL SURVEY
U. S. Court House, Rm. 656
W. 920 Riverside Avenue
Spokane, Washington 99201
September 18, 1968

SEP 20

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: OME-6481 (Gold-Silver)
Sidney Mining Company
Cook Claims
Owyhee County, Idaho
Contract 2215

The subject contract was terminated August 13, 1968.

Based on geochemical anomalies and structural projections six trenches were bulldozed disclosing altered shear zones containing pyrite and iron oxide. On the basis of these showings eight diamond drill holes were drilled from the surface. Zones of propylitic alteration and intense crushing were cut, but none of the drill hole assays indicated gold or silver in much more than trace amounts.

It is recommended that no discovery be certified.

D. R. MacLaren

Form 7
-/63)

OFFICIAL FILE COPY

Date	Surname	Code
9/4/68	Kirkemo	120
		110
		220
		120M

September 4, 1968

Memorandum

To: Chief, Branch of Budget and Finance

From: Chief, Office of Minerals Exploration

Subject: OME-6481 (Gold-Silver)
Sidney Mining Company
Cook Claims
Owyhee County, Idaho
Contract 2215

Enclosed is a copy of a Termination Agreement to the subject contract signed for the Government and by the Operator, and a copy of the Field Officer's memorandum of August 28, 1968, stating that an acceptable Final Report has been received from the Operator.

The $200.00 being withheld from payment to the Operator should now be paid. Please note that the Operator's address now is:

Sidney Mining Company
123 McKinley Avenue
Kellogg, Idaho 83837

FRANK E. JOHNSON (gla)

Frank E. Johnson

Enclosures: B&F copy Termination Agreement
Copy Field Officer's memorandum 8/28/68

cc: Director's Reading File
Economic Geology File
OME docket
OME Reading File
OME Region I

HKirkemo/gla 9-4-68

9/20/68
Margaret Simms
B & F
paid on Voucher 91531

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

GEOLOGICAL SURVEY
U. S. Court House, Rm. 656
W. 920 Riverside Avenue
Spokane, Washington 99201
August 28, 1968

OFFICIAL COPY
O. M. E.
RECEIVED
AUG 30 1968

INITIALS	CODE
gla	130
bal	120
	140
	120

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: OME-6481 (Gold-Silver)
Sidney Mining Company
Cook Claims
Owyhee County, Idaho
Contract 22125

Enclosed are the Government and Budget and Finance's copies of a Termination Agreement signed by the above Operator and a copy of an acceptable Operator's Final Report.

A Report of Review issued in June 1967 indicated that the Operator should be paid $469.13 erroneously disallowed in prior vouchers. In a letter dated July 13, 1967, the Operator requested that this payment be made. In his memorandum of July 31, 1967, forwarding the request to the Branch of Budget and Finance, Mr. Johnson stated that the sum of $200 being withheld pending resumption of work should continue to be withheld. An unsigned Public Voucher for Purchases and Services other than Personal indicates "Amount verified; correct for $469.13," but there are no entries to indicate that the amount due was paid and, if so, that the $200.00 was withheld.

No contract work has been done since the date of the Report of Review, and therefore all remaining funds that may be due the Operator may be released.

The last paragraph of the Operator's letter gives notification of a change of address to: 123 McKinley Avenue, Kellogg, Idaho, 83837.

D. R. MacLaren

D. R. MacLaren

Enclosures

M. C. BROWN, President
E. K. JARNES, Vice President
BEN SMICK, Secretary-Treasurer

Sidney Mining Company

123 McKinley Ave
KELLOGG, IDAHO
83837

27 August 1968

Mr. D. R. MacLaren, Field Officer
Office of Minerals Exploration
US Court House, Rm 456
W 920 Riverside Ave
Spokane, WA 99201

Re: DMS-6481 (Gold-Silver)
Cook Claims
Owyhee County, Idaho
~~Contract 2212~~

Dear Mr. MacLaren:

Enclosed are the original and two copies of Termination Agreement executed by Sidney Mining Company.

Also enclosed is the original and two copies of the Final Report.

Please enter our change of address (see above) in your files.

Sincerely,

M. C. Brown

M. C. Brown
President

MCB:hs

RECEIVED
AUG 28 1968

FINAL REPORT

OME-6481 (Gold - Silver)

Cook Claims, Owyhee County, Idaho

Contract 2215

Kellogg, Idaho
26 August 1968

SUMMARY

Work began 31 May 1966 and the contract was terminated as of 17 December 1966. Work done included 1.7 mile of access road, 2130 linear feet of bulldozer trench, 14 drill sites, and 8 drill holes aggregating 1783.5 feet. No mineralization approaching commercial grade was found.

DESCRIPTION OF WORK

All phases of the work have been described and evaluated in the various monthly narrative reports with drill logs and assay certificates and special reports which have been filed with OME. Following is an index of references to various phases of the work.

Subject	Report Date	Page No.	Plate Numbers
Access Roads	2 Aug 66	1	1
Trenching	"	1-4	2- 6
Drill Sites	10 Sept 66	1	7-12
DDH-1, -2, -3 & Logs	10 Oct 66	1-4	13-14
DDH-5, -7, -8 & Logs	10 Nov 66	1-4	15-16
DDH-9 & Log	"	2 & 5	17-18
DDH-11 Letter	14 Nov 66	1	17X-18X
DDH-11 & Log	10 Jan 67	1-5	17-18
Trace Elements in Trenches & Drill Holes	18 June 67	1-3	19-25

Total costs per unit of bulldozing and trenching are summarized in Table II, together with the total costs. Total costs allowed on vouchers are summarized in Table I.

EVALUATION OF RESULTS

The work disclosed numerous shear or breccia zones, mineralized with abundant pyrite in extensive zones of moderate to intense hydrothermal alteration, but no mineralization approaching commercial grade was found.

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AUG 28 1968
O. M. E.
SPOKANE, WASH.

Operator's final report

Table I

Analysis of Proposed Allocation of Funds for OME Contract 2212

E-EASE 45-406 20/20 BUFF

MCB 22 Mar 68

	(1)	(2)	(3)	(4) Used to date	(5) Allocation Proposed	(6) Total
1	Estimated Cost of the work, Actual Costs & Fixed Unit Costs					
2	Actual Costs:					
3	Category (1) Independent Contracts					
4	Seismic determination of depth to bedrock			None	450.00	450.00
5	Bulldozing					
6	Mobilization & demob. of bulldozer			400.00	800.00	1200.00
7	Dozing access roads, trenches & drillsites			2854.52	6210.02	9064.54
8	Drilling					
9	Mobilization & demob. of Drill			1200.00	1200.00	2400.00
10	Overburden			864.50	127.50	992.00
11	Diamond Core			12613.25	4680.25	17293.50
12	Reaming			246.25	253.75	500.00
13	Casing			997.48	502.52	1500.00
14	Cementing			261.00	339.00	600.00
15	Drilling out cement			168.00	432.00	600.00
16	Cement			20.00	304.00	324.00
17						
18	Category (2) Personal Services					
19	Subcategory (a) Supervision & Technical Services			[illegible]	750.00	3000.00
20	Category (7) FICA & other insurance			[illegible]	143.97	425.50
21	Total estimated actual costs			[illegible]	19301	38349.54
22	Fixed Unit Costs:					
23	Incidental cost for each ft. of drill hole			374.54	40.42	414.96
24	Core Boxes			180.00	18.00	198.00
25	Sample Sacks			[illegible]	56.00	102.50
26	Samples assayed for gold & silver			279.00	864.00	1143.00
27						
28	Total estimated fixed costs			820.04	978.42	1858.46
29						
30	Total Estimated Costs of Project			2303657	19171.43	40,208.00
31						
32						
33						
34						
35						Table I

Table II

Analysis of Total Cost of OME Contract 2212

45-106 EYE-EASE 45-406 20/20 BUFF

MCB 26 Aug 68

		Cost/Unit	Cost of Job	Cost per Ft. (or other unit)	Total Cost
Bulldozing					
Mobilization & demob of bulldozer		$400/Job	400.00	— —	
Access Roads, 8,976 ft, 12½ hrs		$30/hr	375.00	$0.042	
Trenching, 2,130 ft, 96½ hrs		" "	2895.00	1.359	
Drillsites, 14 sites, 17 hrs		/hr	424.52	30.323	
Total Bulldozing					$4094.52
Drilling (1783.5 ft)					
Mobilization & demob. of drill		1200/Job	1200.00	0.673	
Drilling, overburden & plug	94 ft.	various	864.50	.485	
" , Diamond Core	1692.5 ft	various	12620.75	7.076	
" , Reaming	98.5 ft	1.50/ft	246.25	.138	
" , Casing	798 ft	1.25/ft	997.75	.559	
" , Cementing	21.75 hrs	12.00/hr	261.00	.146	
Drilling out cement	112 ft.	1.50/ft	168.00	.094	
Cost of cement	10 sax	$2/sk.	20.00	.011	
Incidental Cost	1783.5 ft	0.21/ft.	374.54	.211	
Total Drilling, 1783.5 ft.				9.393	16752.52
Supervision & Technical Services		$70/mo	2569.60		
FICA & other Insurance		12.96%	332.74		
Total Supervision & Technical					2902.54
Miscellaneous					
Core Boxes	180 ea.	1.00 ea.	180.00		
Sample Sacks	186 ea	0.25 ea	46.50		
Assays for gold & silver	93 ea.	3.00 ea.	279.00		
Total Misc.					505.50
Total Cost of Project					$2425508
Total allowed on vouchers (See Table I)					$2303657

Table II

GEOLOGICAL SURVEY
U. S. Court House, Rm. 656
W. 920 Riverside Avenue
Spokane, Washington 99201
August 15, 1968

OFFICIAL COPY
O. M. E.
RECEIVED
AUG 19 1968

INITIALS	CODE
	30
	20
	110
HK	20

Mr. M. C. Brown, President
Sidney Mining Company
102 First Security Building (new address)
Kellogg, Idaho 83837

Re: OME-6481 (Gold-Silver)
Cook Claims
Owyhee County, Idaho
Contract 22125

Dear Mr. Brown:

Enclosed are the original and three copies of a proposed Termination Agreement (two pages) to the subject contract signed for the Government by Mr. Frank E. Johnson, Chief, Office of Minerals Exploration, U. S. Geological Survey.

If the proposed agreement is satisfactory, please sign all four copies, retain the Operator's copy for your records, and return the original and two remaining copies to this office.

If the agreement is not satisfactory to you, please return all copies to this office unsigned with your statement of proposed changes for consideration.

Sincerely,

D. R. MacLaren
Field Officer, OME
Region I

Enclosures

MLSmelser/mls
cc: OME
Director's Reading File

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
8/12/68	Kirkemo	120
		120
8/12	Johnson	110
8/13	Peterson	
8/13	Turcotte	
		220
		120M

AUG 13 1968

AIRMAIL

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6481 (Gold-Silver)
Sidney Mining Company
Cook Claims
Owyhee County, Idaho
Contract 2215

Enclosed are the original and three copies of proposed Termination Agreement (two pages) to the subject contract, signed for the Government. An extra copy for field use is enclosed also.

If the proposed agreement is satisfactory to you and the Operator, all four copies should be signed by an authorized representative of the Operator. Thereafter, please make the usual distribution of the copies.

If the proposed agreement does not have your approval or that of the Operator, the original and all copies are to be returned to this office together with the proposed changes for consideration.

FRANK E. JOHNSON

Frank E. Johnson

Enclosures

cc: Director's Reading File
Economic Geology File
OME Docket
OME Reading File
130
Mr. Kirkemo

HKirkemo/bsl 8/12/68

6

REFERENCE SLIP

OFFICE OF MINERALS EXPLORATION

	DATE	INITIALS
1. ~~Assoc. Sol., MR, Room 6554~~ (Through Room 6042)		
2. Mr. Kirkemo, Room 4459		
3.		
4.		
5.		

FROM: Chief, OME 8/5/68

FOR: Check items for action desired

____ Action ____ Reply for signature of ____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS: g-67-2068.3192

AUG 5 1968

FROM SOLICITOR

INTERIOR DEPT.

RECEIVED AUG 6 1968 Division of Mineral Resources and General Legal Services

FOR SIGNATURE

M56300-62

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

HK 120

~~HK 110~~

120M

DRAFT 8/1/68
HKirkemo/gla

To Legal 8/5

EXPLORATION CONTRACT
SIDNEY MINING COMPANY
OME-6481

TERMINATION AGREEMENT

It is agreed this _____ day of _____, 1968, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, U. S. Geological Survey, hereinafter called the "Government," and Sidney Mining Company, hereinafter called the "Operator," parties to that certain Exploration Contract No. 2215 (OME-6481), dated February 28, 1966, as amended, hereinafter called the "Contract," that:

1. Effective December 28, 1967, the Contract and all obligations of the parties thereunder, except as herein expressly provided, shall be and are hereby terminated.

2. The Government shall contribute only to the allowable costs incurred prior to January 1, 1967.

3. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including furnishing to the Government three copies of a final report (in addition to the final monthly report) which 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, including or referring to previously submitted complete assay data, ~~adequate~~ geological and engineering maps or sketches, ~~and~~ and a summary of the work performed and the related costs thereof.

4. All rights of the Government respecting certification of possible production, ~~percentage royalty~~ the payment of royalties on production from the land, and liens ~~to~~ secure the payment

HK 120

~~HK 110~~

120M

DRAFT 8/1/68
HKirkemo/gla

Do Land 8/5

EXPLORATION CONTRACT
SIDNEY MINING COMPANY
OME-6481

TERMINATION AGREEMENT

It is agreed this _____ day of _____, 1968, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, U. S. Geological Survey, hereinafter called the "Government," and Sidney Mining Company, hereinafter called the "Operator," parties to that certain Exploration Contract No. 2215 (OME-6481), dated February 28, 1966, as amended, hereinafter called the "Contract," that:

1. Effective December 28, 1967, the Contract and all obligations of the parties thereunder, except as herein expressly provided, shall be and are hereby terminated.

2. The Government shall contribute only to the allowable costs incurred prior to January 1, 1967.

3. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including furnishing to the Government three copies of a final report (in addition to the final monthly report) which 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, including or referring to previously submitted complete assay data, ~~adequate~~ geological and engineering maps or sketches and reports, ~~and~~ a summary of the work performed and the related costs thereof.

4. All rights of the Government respecting certification of possible production, ~~percentage royalty~~ (the payment of royalties on production) and liens (on the land) ~~to~~ secure the payment

final monthly report) which shall include a summary of the work performed and the related costs thereof, 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, including or referring to previously submitted complete assay data, geological and engineering maps or sketches and reports.

thereof, reports (including preservation of the Operator's records), accounts, audits, and the right to recover any overpayment are hereby preserved.

5. The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said Contract except as otherwise provided in this termination agreement.

IN WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Chief, Office of Minerals Exploration
U. S. Geological Survey

SIDNEY MINING COMPANY

By_____

Title_____

SURNAME COPY

8/1/68 Kirkemo 120

110

220

120M

AIRMAIL

Sidney Mining Company
102 First Security Building
Kellogg, Idaho 83837

AUG 1 1968

Re: OME-6481 (Gold-Silver)
Sidney Mining Company
Cook Claims
Owyhee County, Idaho
Contract 2215

Gentlemen:

Thank you for your letter of July 23, 1968, advising us of your decision not to explore the Cook 33-36 claims by diamond drilling in the area of the proposed trenches. We regret that you elected not to continue work on the contract. Consequently, we are preparing a termination agreement which will be sent to you for signature.

Please refer to Article 5(c) of the contract for instructions pertaining to the required final report. In view of the extensive data already furnished with your monthly reports and in support of your requests for amendments, we would accept a summary report stating the work performed, costs of such work, geologic results of the work, and a statement with respect to any reserves of ore discovered. Reference may be made in your report to records, data, and reports already submitted providing these are identified by date, page number, map or plate number, and name of the assayer or the identification of any assay certificates.

Sincerely yours,

FRANK E. JOHNSON (gla)

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Economic Geology File
OME docket
OME Reading File
OME Region I
Mr. Kirkemo

HKirkemo/gla 8-1-68

. BROWN, President
K. BARNES, Vice President
BEN SMICK, Secretary-Treasurer

Sidney Mining Company

FIRST SECURITY BUILDING
KELLOGG, IDAHO
83837

23 July 68

OFFICIAL COPY
O. M. E.
RECEIVED
JUL 25 1968
INITIALS | CODE

Mr. Frank E. Johnson
Chief, Office of Minerals Exploration
Geological Survey
Washington, DC 20242

Re: OME-6481 (Gold-Silver)
Sidney Mining Company
Cook Claims
Owyhee County, Idaho
Contract 2215

Dear Mr. Johnson:

This is in reply to your letter of July 15, 1968 regarding further exploration of the Cook 33-36 claims.

We can not justify participation in your drilling proposals because we estimate that the cost to Sidney would be about three times the total cost of our proposed trenching. Yet the drilling would produce only a fraction of the information to be gained from trenching. We believe that Sidney has no alternative but to do the trenching at its own expense and save money.

We assume that the contract is cancelled, as stated in the last paragraph of your letter. In view of the voluminous reports we have filed and the extensive correspondence since then, we wonder if a "Final Report" is necessary. Please tell us of your requirements.

Yours very truly,

M. C. Brown

M. C. Brown
President

MCB:hs
cc: D. R. MacLaren

SURNAME COPY

7/15/68 Kirkberno 120

110

7/15 cal 220

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AIRMAIL

Sidney Mining Company
102 First Security Building
Kellogg, Idaho 83837

Re: OME-6481 (Gold-Silver)
Sidney Mining Company
Cook Claims
Owyhee County, Idaho
Contract 2215

JUL 15 1968

Gentlemen:

This is in reply to your letter of June 18, 1968, regarding further exploration of the Cook 33-36 claims.

In our letter to you dated May 14, 1968, we cited two reasons for not approving the proposed trenching program. These were stated in the fifth paragraph as follows:

> "On the basis of the additional cost to the project for backfilling, and the low values indicated from samples in trenches on adjacent claims, we now do not recommend Government participation in the proposed trenching and backfilling operation on the Cook 33-36 claims."

When proposed Amendment No. 6 was prepared, no samples or assays were available from either Cook 33-36 claims or from adjacent claims. With your letter of March 22, 1968, you enclosed a map, Plate 25X, showing the location and assays of two samples from location cuts on Cook 51, 52, 55, and 56 claims. The assays indicate low values (10' - 0.09 oz. Ag, Trace Au, and 10' - 0.04 oz. Ag, nil Au) in silver and gold. There is no reason to expect better returns or more informative evidence from surface sampling in the trenches proposed on the Cook 33-36 claims. However, in the event that the geochemical data already gathered suggest worthwhile targets in the underlying bedrock, we offered to participate in the costs of drilling several drill holes spaced several hundred feet apart and drilled parallel to the course of proposed Trench A. Such drilling would be in lieu of trenching, not prior to trenching.

If under these circumstances you do not wish to undertake the proposed drilling, we will terminate the contract as of October 1, 1967. Please advise us of your decision at your earliest convenience.

Sincerely yours,

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Economic Geology File
OME docket
OME Reading File
OME Region I
Mr. Kirkemo

HKirkemo/gla 7-15-68

M. C. BROWN, President
E. K. BARNES, Vice President
BEN SMICK, Secretary-Treasurer

Sidney Mining Company

FIRST SECURITY BUILDING
KELLOGG, IDAHO
83837

18 June 1968

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O. M. E.
RECEIVED
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120 m
HR 120

Mr. Frank E. Johnson
Chief, Office of Minerals Exploration
Geological Survey
Washington, DC 20242

Re: OME-6481 (Gold-Silver)
Sidney Mining Company
Cook Claims
Owyhee County, Idaho
Contract 2215

Dear Mr. Johnson:

Our Board of Directors has considered the proposals in your letter of May 14, 1968 very carefully. As we understand it, you believe that you can not now approve the trenching program because of the excessive cost of the backfilling which would be required, but you will consider several diamond drill holes to explore for possible vein structures in the target area.

As the area is more than 700 feet wide, it would take about 1,000 feet of drill hole to crosscut it at 45° inclination. This would cost at least $10,000 compared to about $2,000 for the crosscut trench. Subsequent 200-foot holes (each recovering 2 inches of strike-length of vein) would have an even higher cost ratio to the proposed longitudinal trench, which would produce a thousand times as much information as the holes.

For these reasons, drilling before trenching appears to us as unjustifiable waste of our money and the taxpayer's money. If your position is unchangeable, it would seem that the termination of the contract which you suggest is the only alternative.

Yours very truly,

M C Brown

M. C. Brown
President

MCB:hs
cc: D. R. MacLaren

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
5/14/68	Kirkemo	120
		110
5/14	cal	220
		120M

AIRMAIL

Sidney Mining Company
102 First Security Building
Kellogg, Idaho 83837

MAY 14 1968

Re: OME-6481 (Gold-Silver)
Sidney Mining Company
Cook Claims
Owyhee County, Idaho
Contract 2215

Gentlemen:

We postponed our reply to your letter of March 22, 1968, regarding the proposed bulldozer trenching and other exploration pending determination of requirements by the Government for surface reclamation of trenched areas on OME projects. We now have these requirements and the following comments pertain to the influence they would have on the surface trenching and estimated costs proposed to explore the Cook 33-36 claims.

Under present instructions, provisions for surface reclamation are to be included in each OME contract. Any necessary reclamation must be completed before the Government accepts the Operator's final report and final accounting. Trenches may remain open for the duration of the exploration project, thus providing time needed for the Operator to map and sample the trenches, and for the Operator and the Government to evaluate the results of the excavation. As the final report and accounting signal the completion of the exploration project, the provision means that trenches must be closed before the Government will certify completion of the project and make final payment under terms of the contract.

One of the work items described in proposed and unsigned Amendment No. 6 would have provided for about 2500 feet of trenching which you estimated would cost about $3,540.00. Later you estimated that it would cost $2,655.00 to backfill the trenches. Mobilization and demobilization of a bulldozer for both operations would cost $1,600.00. The total cost would be about $7,795.00. If the proposed seismic survey succeeded in determining areas within the target zone where overburden is not so thick, the costs of trenching and backfilling would be reduced.

An amendment to the contract providing for this trenching and surface restoration can be prepared. Under the new requirement, the amendment would provide for trenching and surface restoration as a unit of work and payable only upon completion of both operations in accordance with

the terms of the contract. No payment could be authorized for the trenching alone. Assuming that final costs for the work items would be about $7,795.00 as you estimated, the Government's share at 62½ percent would be $4,871.88, payable upon completion of the backfilling operation as specified in an amendment to the contract.

The foregoing remarks have outlined the responsibilities of the Operator and the Government regarding trenching and bulldozing under present instructions. On the basis of the additional cost to the project for backfilling, and the low values indicated from samples in trenches on adjacent claims, we now do not recommend Government participation in the proposed trenching and backfilling operation on the Cook 33-36 claims. We agreed to participate in exploring these claims by trenching and, if warranted, by diamond drilling on the basis of negative geochemical anomalies, but the new circumstances do not now warrant support for the trenching. We would, however, consider participating in the costs for several drill holes, 150 to 200 feet long, spaced several hundred feet apart and drilled on a course parallel to proposed Trench A. These would explore the possibilities for vein structures in the negative geochemical anomaly area whereas information obtained in the proposed trenches would likely be inconclusive--the same interpretation we would have to make on the assays of samples from trenches on the claims east of proposed Trench A.

We note your analysis of the comparative costs and results to be expected from trenching and from drilling. May we have your reaction to the above suggestion to drill the subject area in lieu of any further surface exploration?

If you believe that several drill holes would be useful, we can prepare an amendment to the contract to provide for this and also extend the contract period, the period for royalty payments, and add the Cook 51, 52, 55, and 56 claims to the land subject to the contract. Inasmuch as funds are available in the contract for additional work, the Government's contribution would remain at 62½ percent of the allowable costs as they are incurred, and not to exceed $25,130.00 as set forth under Article 1(b) of the contract.

If you do not wish to undertake the drilling program as outlined, we will terminate the contract as of October 1, 1967.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Economic Geology File
OME Docket
OME Region I
OME Reading File
Mr. Kirkemo

HKirkemo/gla 5-14-68

M. C. BROWN, President
E. K. BARNES, Vice President
BEN SMICK, Secretary-Treasurer

Sidney Mining Company

FIRST SECURITY BUILDING
KELLOGG, IDAHO
83837

22 March 1968

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 25 1968

INITIALS	CODE
gla	120
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	120

MW

Mr. Frank E. Johnson
Chief, Office of Minerals Exploration
Geological Survey
Washington, DC 20242

Re: OME-6481 (Gold-Silver)
Sidney Mining Company
Cook Claims
Owyhee County, Idaho
Contract 2212

Dear Sir:

The principal question raised in your letter of 9 Feb 1968 is whether surface damage which might result from our proposed bulldozer trenching would justify alternative procedures. The enclosed report, entitled "Bulldozer Trenching in Mineral Exploration and its Effect Upon The Land Surface", outlines our views on the subject. We conclude that bulldozer trenching is topographically insignificant but, even if it all has to be backfilled, it gives the most information per dollar.

We estimate that the time required for backfilling should be about 75% of that required for the original excavation, which we estimate at 118 hours. Adding 75% for backfill brings it up to 207 hours, at $30/hr, or $6,210. Also, as the backfilling will not be done until later, it will be necessary to move a dozer in and out again, requiring two allowances for mobilization and demobilization, of $400 each.

We believe that a simple seismic survey before bulldozing is begun will allow a more efficient approach by making it possible to locate the crosscut trenching where overburden is the shallowest. Enclosed are photocopies of bids received from the two contractors we were able to find in Boise. Morrison-Knudsen does not appear to be interested in bidding the job but their equipment rental price is higher than Jones, so we may assume that their job price would be higher also. On the attached map (Plate 26X) we have indicated a grid of 37 seismograph stations which should give us an adequate estimate of the alluvial depth over the area of interest. Mr Jones estimates ten stations per day, which would require four days for our 37 stations. Using his bid of $150/day plus expenses we make

the following estimate of total cost:

4 days @ $150/day	$600.00
Motel @ $7.00/day	28.00
Meals for two @ $10.00/day	40.00
200 mi. from Boise & return @ 10¢/mi.	20.00
	$688.00

In view of the uncertainties about their per diem and mileage charges, which might be much higher, Sidney will make a flat price contract bid to provide the seismograph equipment and personnel to determine overburden depth at no less than 37 stations for $450.00. We believe that subsequent costs may be reduced by several times this expenditure, because Trench A at least can be located where overburden is the shallowest. This will minimize the cost of the original excavation and reduce or possibly eliminate the cost of backfilling.

Table I shows our analysis of the proposed reallocations to cover the proposed seismic and bulldozer work, and an additional allocation for mobilization and demobilization of a drill rig, which will be necessary if any drilling is to be done after the trenching is completed.

Plate 26X shows the proposed seismograph stations, trenching and assay values of gold and silver in samples taken from the location cuts on the new claims.

Yours sincerely,

M. C. Brown

M. C. Brown
President

MCB:hs
cc: D. R. MacLaren
Enclosures

ROBERT P. JONES
CONSULTING ENGINEER
3512 NO. 36TH STREET
BOISE, IDAHO
TELEPHONE 342-0048

March 14, 1968

Mr. M. C. Brown
Sidney Mining Company
First Security Building
Kellogg, Idaho 83837

Dear Mr. Brown:

Thank you for your inquiry of 4 March 1968 in regards to seismic investigations.

The instrument that we have is a single channel, MD-1 seismograph made by Geophysical Specialties. We have had favorable results to depths of 100' with this instrument.

The time required to make a bedrock determination of the area described in your letter would depend on several factors, the configuration, topography, type of overburden and number of points you want.

We can under most conditions run at least ten lines a day which would give ten interpretation points or the equivalency of ten drill holes. A seismic survey requires at least two people in the party. We would prefer to use our own personnel. However, if you have someone fully qualified and experienced, we would consider rental of the equipment only.

An experienced two man crew with either a professional engineer or geologist in charge would cost $150.00 per day plus living expenses and mileage.

We would rent the seismograph and equipment only for $50.00 per day or $150 per week subject to the usual rental provisions.

Sincerely yours,

Robert P. Jones

Robert P. Jones

RPJ:lh

Morrison-Knudsen Company, Inc.
CONTRACTORS AND ENGINEERS

PRINCIPAL OFFICE
319 BROADWAY, BOISE, IDAHO

March 4, 1968

Mr. M. C. Brown, President
Sidney Mining Company
First Security Building
Kellogg, Idaho 83837

Dear Mr. Brown:

Reference is made to your letter of February 24, 1968 concerning a sledge-hammer type seismograph.

Morrison-Knudsen Company, Inc. owns one of these, and it is in our possession here at Boise. We will rent this engineering seismograph, model MD-1, to you for Sixty Dollars ($60.) per day. This includes the hammer, wiring and all other attachments for this work.

Yours very truly,

MORRISON-KNUDSEN COMPANY, INC.

Walter L. Romberg

Walter L. Romberg
District Engineer

WLR:ldw

Table I

Analysis of Proposed Allocation of Funds for OME Contract 2212

45-106 EYE-EASE 45-406 20/20 BUFF

MCB 22 Mar 68

	(1)	(2)	(3)	(4) Used to date	(5) Allocation Proposed	(6) Total
1	Estimated Cost of the work, Actual Costs & Fixed Unit Costs					
2	Actual Costs:					
3	Category (1) Independent Contracts					
4	Seismic determination of depth to bedrock			None	450.00	450.00
5	Bulldozing					
6	Mobilization & demob. of bulldozer			400.00	800.00	1200.00
7	Dozing access roads, trenches & drillsites			2854.52	6210.02	9064.54
8	Drilling					
9	Mobilization & demob. of Drill			1200.00	1200.00	2400.00
10	Overburden			864.50	127.50	992.00
11	Diamond Core			12613.25	4680.25	17293.50
12	Reaming			246.25	253.75	500.00
13	Casing			997.48	502.52	1500.00
14	Cementing			261.00	339.00	600.00
15	Drilling out cement			168.00	432.00	600.00
16	Cement			20.00	304.00	324.00
17						
18	Category (2) Personal Services					
19	Subcategory (a) Supervision & Technical Services			2250.00	750.00	3000.00
20	Category (-1) FICA & other insurance			281.53	143.97	425.50
21	Total estimated actual costs			22164.03	16193.01	38349.54
22	Fixed Unit Costs:					
23	Incidental cost for each ft. of drill hole			374.54	40.42	414.96
24	Core Boxes			180.00	18.00	198.00
25	Sample Sacks			46.50	56.00	102.50
26	Samples assayed for gold & silver			279.00	864.00	1143.00
27						
28	Total estimated fixed costs			880.04	978.42	1858.46
29						
30	Total Estimated Costs of Project			23036.57	17171.43	40208.00
31						
32						
33						
34						
35						Table I

Malcom Brown
Sidney Mining Company
Kellogg, Idaho

[redacted]
SHIPPERS REPRESENTATIVE
CHEMIST-ASSAYER
[redacted] Kellogg, Idaho

K. C. HAIGHT
CHEMIST-ASSAYER
806 W. CAMERON AVE.
KELLOGG, IDAHO 83837

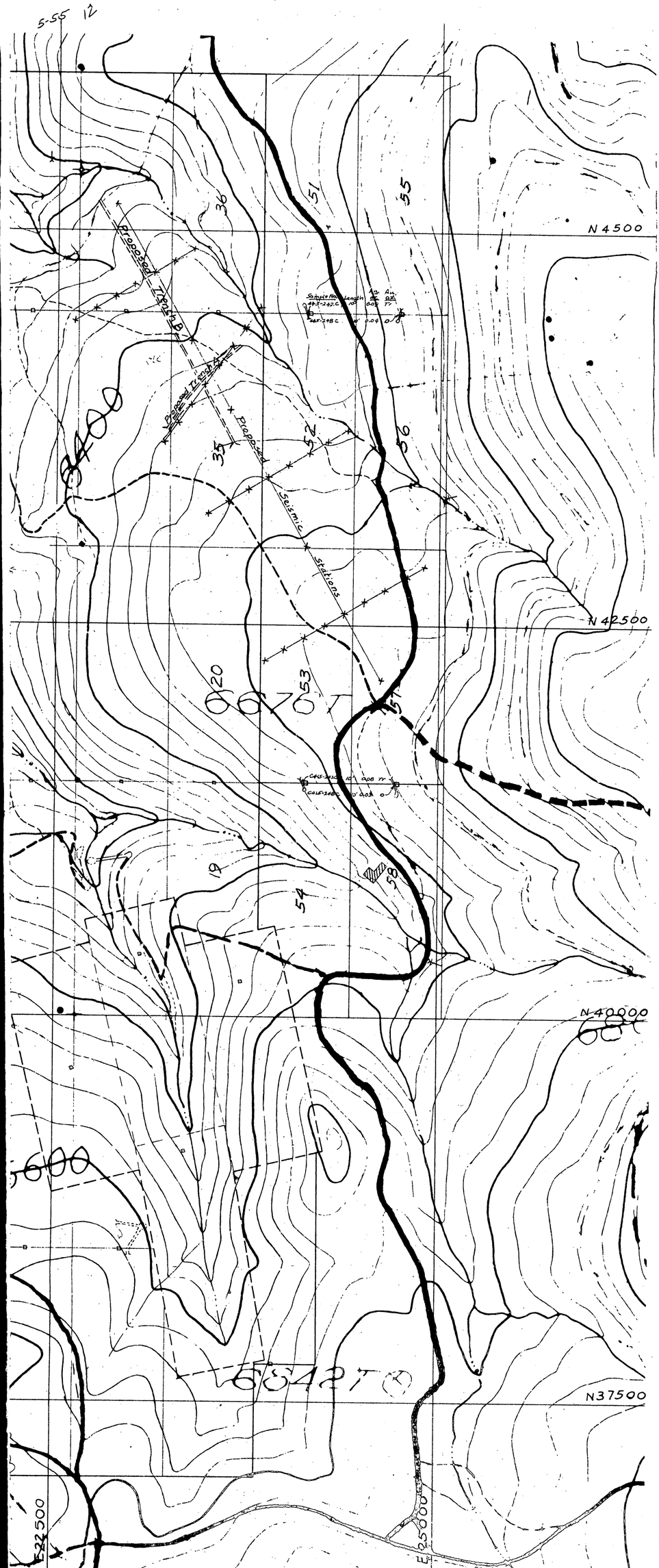
Samples Marked: Loc Cook

CERTIFICATE of ASSAY

March 21,1968

LOT NUMBER SMELTER	LOT NUMBER MINE	CARS	PER TON OF 2000 LBS. OZS. GOLD	PER TON OF 2000 LBS. OZS. SILVER	PERCENT LEAD	PERCENT ZINC	PERCENT COPPER	PERCENT IRON	PERCENT ANTIMONY	PERCENT ARSENIC	PERCENT CADMIUM	PERCENT	PERCENT
	51-52	C44.5 - 242C	Trace	0.09									
	53-54	C415 - 242C	Trace	0.08									
	55-56	C445 - 248C	Nil.	0.04									
	57-58	C415 - 248C	Nil.	0.03									

K. C. Haight



East Half of Cook Group
Owyhee County, Idaho
Scale: 1" = 500'

Base photoenlargement of USGS 1:24,000 Field Sheets, 1965
Additions by compass & tape and pace from transit-stadia control
Drawn Jan, 1968 M. C. Brown
Revised: Mar, 68

Plate 26X

REPORT ON

BULLDOZER TRENCHING IN MINERAL EXPLORATION

AND ITS

EFFECT UPON THE LAND SURFACE

for

SIDNEY MINING COMPANY

Kellogg, Idaho

SUMMARY

An analysis is made of the value and cost of bulldozer trenching in mineral exploration and the conditions under which restorative measures may be justified. It is concluded that bulldozer trenching gives the most information per dollar and that exploration trenches are generally insignificant topographic features and need not be backfilled except where justified from the standpoint of safety. Where backfilling is required it should not be done before the end of the project.

INTRODUCTION

The President has requested all Federal agencies to review their policies dealing with surface mining under their jurisdiction, and to cooperate with the mining industry to develop and implement the best ideas in the Report of the Secretary of the Interior on the National Study of Strip and Surface Mining. This report was made under the provisions of the Appalachian Regional Development Act of 1965. As recent directives have interpreted Strip and Surface Mining to include bulldozer trenching for mineral exploration we are submitting our analysis of the value and cost of bulldozer trenching and the conditions under which restorative measures may be justified.

VALUE AND COST

What is the relative value and cost of bulldozer trenching compared to alternative methods of exploration? The primary object of any exploration technique is to test a vein (or any other prospective locus of an orebody) at as many points as possible. This goal is most satisfactorily attained in a tunnel or drift on a vein. Every foot of drift exposes, in three dimensions, a foot of vein to all of the human senses, for mapping, sampling and all other available means of testing and evaluating it. At $45 per foot of drift each foot of strike length of the vein is exposed for $45 per foot.

As the present-day surface of bedrock is randomly determined by the accident of erosion, examination of the vein exposed in bedrock by a trench along the strike of the vein is initially just as valuable as a drift at some lower horizon. All structural and analytical data are virtually as valid as those from a drift; only the mineralogy is altered by oxidation near the surface. However, the cost per strike-foot of vein exposed will be only from 1% to 3% of the cost in a drift. A bulldozer trench along the strike of a vein will cost less than 50¢ per strike-foot if the overburden is five feet or less in depth and only about $1.50 per strike-foot if the depth is up to 20 feet.

On the other hand, per strike-foot of vein exposed, diamond drilling is many times more expensive than the drift. Regardless of the width of the vein and of the length of hole drilled to intercept the vein, the strike-length of vein exposed is 2 inches, or 1/6 foot, if we assume 100% recovery of NX core. If we diamond drill only 100 feet of hole to reach the vein at $10 per foot it costs $1,000 to recover 1/6 foot, or $6,000 per strike-foot of vein. Where applicable, rotary or percussion drilling at prices ranging down to $1.00 per foot can reduce this cost tremendously if vertical or quite steep holes can intercept the target.

In summary, the cost of looking at one strike-foot of vein by the three methods is approximately as follows:

Diamond drilling	$6,000.00
Drifting	45.00
Trenching	1.50

In crosscutting to determine the position of veins covered by alluvium the rank of drilling and tunneling will be reversed but trenching is still the cheapest. We can estimate the cost of crosscutting a zone 1,000 feet wide as follows:

Crosscutting (tunnel)	@ $45/ft.	$45,000.00
Diamond drilling	@ $10/ft.	10,000.00
Trenching	@ $ 1.50/ft.	1,500.00

EXTENT OF DAMAGE

How extensive is damage to the land surface by each of the three techniques? Any of the methods will usually require access roads. When they are built on a moderate grade, say 15% to 20% maximum, they will not accelerate erosion and they will continue to be used by the prospector, stockmen, hunters and other outdoorsmen; thus they may be regarded as an improvement rather than damage.

The few hundred square feet commonly leveled for a drill station is negligible but tunnel dumps from extensive underground workings sometimes become prominent features of the landscape. Such dumps with

level tops and foreslopes at the angle of repose can hardly be called damaging because of a change in the land surface. Nature often produces far greater and more abrupt changes in the landscape by glacial moraines, landslides and other mass-wasting erosional processes. Probably mine dumps are sometimes considered unaesthetic chiefly because the lack of soil prevents some abandoned dumps from being covered by vegetation for several generations.

A trench on an easy grade around a fairly steep sidehill is overcast on the low side and assumes the form of a road which we do not consider damaging. Material from trenches in deep overburden on level or gently sloping ground usually is stacked in moderately high spoil piles. If such trenches and their spoil piles are plotted to scale on a map with the largest scale commonly published by the USGS (1:24,000) it can be demonstrated that they are insignificant features relative to the surrounding terrain and when compared to the enormous acreages of strip coal mines. Nevertheless, when they have vertically standing walls and are more than five or six feet deep they do present a hazard to man and beast which should be minimized. This hazard is principally that of injury from a fall. There is no danger of entrapment because bulldozer trenches are open on an easy grade at both ends.

In any range areas considerable money is often spent by both stockmen and the Bureau of Land Management to build ponds or "tanks" to hold water for grazing livestock. Some trenches in such areas will hold water from springs or after rains for appreciable periods of time. Such trenches should be considered an improvement on the range and should not be backfilled.

FEASIBLE MEASURES FOR REHABILITATION

Where restoration measures are required, what are feasible measures for rehabilitating the landsurface? Very little data are available to define what are reasonable restoration practices or their costs. Griffith and others (1966, p.2) refer to the new Pennsylvania strip mine law, which "permits terracing where the original slope of the surface exceeds 12°. To qualify as terrace backfill, the slope of the reclaimed spoil must not exceed 15°. This slope may be either into or away from the highwall, and no part of the highwall slope may exceed an angle of 45°. The outslope of the spoil (that portion most remote from the highwall) is considered to be the same as the highwall for purpose of this ruling."

The highwall in the areas where their experiments were conducted averaged about 80 feet high and the width of the strip was about 300 feet. They give data on five methods of reclamation backfilling, three using bulldozers and two using explosives as prime earthmovers. Costs of the five methods ranged from $5.18 to $14.08 per linear foot of 80-foot highwall.

Study of this report suggests that, in areas not complicated by hard rock or timber, a bulldozer trench backfilled by pushing dirt straight in from both sides would satisfy the requirements of the Pennsylvania law. Under such conditions the cost would depend upon how many cubic yards the bulldozer could move per dollar, and would probably be slightly less than the original cost of the excavation. However, as shown in the tables on page 2, bulldozer trenching would still be the cheapest method of initial exploration, even if the cost were doubled.

One device which has been overlooked in connection with exploration trenching is the simple sledge-hammer type of seismic equipment used for estimating "rippability" on construction projects. This equipment may be used for estimating the depth to bedrock over the target area so that crosscutting trenches, at least, can be laid out where the overburden is shallowest. This should result in lower costs for the original trenching and minimize, or possibly eliminate, the cost of backfilling.

WHAT SHOULD BE BACKFILLED

When should restorative measures be required? It should be understood that we are not discussing strip coal mines, placer mines or other surface mining methods. We are only considering bulldozer trenching and other techniques commonly used for mineral exploration in the western United States. We believe that the resulting excavations or spoil piles are insignificant topographic features and that in considering backfilling the principal criteria should relate to safety hazards. That is, could a man, a cow or a jeep, floundering thru the surrounding brush, fall into the excavation and suffer physical damage. Using this approach we would eliminate any road, including sidehill roads with steep high backslopes on the uphill side. We must frequently stop to clear such a road of rocks kicked in by livestock descending the backslope but never have we had to clear out a broken-legged cow. However, a trench in fairly level brushy ground is effectively concealed because the terrain beyond gives an illusion of continuity until one stands suddenly on the brink of the trench. Good safety practice suggests that any trench in which both walls are five feet high or more should be partially backfilled by pushing in the walls to a slope of 15° or less.

WHEN SHOULD BACKFILLING BE DONE

The timing of backfilling is very important. Mechanically, the sooner the backfilling is done, the easier it may be but, from a technical standpoint, filling too soon can result in the loss of important information. No matter how carefully and completely we try to sample the trench and map the geology we often find ourselves returning to examine it again in the light of new knowledge. Likewise,

reexamination by different personnel or consultants may bring new ideas from a fresh viewpoint. We strongly believe that no backfilling should be done before the end of the project, or until everyone concerned agrees that nothing further can be learned from the bedrock which has been exposed for the first time to the human eye.

CONCLUSIONS

1. Bulldozer trenching gives the most information per dollar for initial exploration.

2. Bulldozer trenches are generally insignificant topographic features.

3. Safety should be the principal criterion for the necessity of backfilling.

4. Required backfilling should not be done before the end of the project.

Malcolm C. Brown
MALCOLM C. BROWN

Kellogg, Idaho
14 March 1968

REFERENCES

Griffith, F. E, M. O. Magnuson and R. L. Kimball, 1966, Demonstration and evaluation of five methods of secondary backfilling of strip-mine areas: USBM Rept. of Investigations 6772, 17 pp.

MME FORM 6 REFERENCE SLIP
REV. 2-59 OFFICE OF MINERALS EXPLORATION

	DATE	INITIALS
TO: 1. Chief, OME		
2. OME-6481 (Gold-Silver)	2/13/68	
3. Sidney Mining Company Cook Claims Owyhee County, Idaho		
4. Contract 2215		
5. [illegible]		
FROM: Field Officer Reg. I		

FOR: Check items for action desired

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

REMARKS: Thermo Fax copies of requested documents sent without comment to Mr Brown 2/13/68

M56300-62

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

M. C. BROWN, President
F. K. BARNES, Vice President
BEN SMICK, Secretary-Treasurer

Sidney Mining Company

FIRST SECURITY BUILDING
KELLOGG, IDAHO
83837

	130
	60 / 120
	~~40~~
HR	~~120~~

[illegible]

OFFICIAL FILE COPY

Date	Surname	Code
2/9/68	Skibemo	120
		110
4/9	Cole	220
		120M

AIRMAIL

FEB 9 1968

Sidney Mining Company
102 First Security Building
Kellogg, Idaho 83837

Re: OME-6481 (Gold-Silver)
Sidney Mining Company
Cook Claims
Owyhee County, Idaho
Contract 2215

Gentlemen:

We have studied your letter dated January 10, 1968, to Mr. D. R. MacLaren, Field Officer, OME Region I, explaining your reasons for not signing proposed Amendment No. 6 to the contract.

In view of a new requirement in the OME program pertaining to surface excavations and the new information furnished in your letter, we agree that the proposed amendment prepared in November 1967 should be revised.

As you know from your recent discussions with Mr. MacLaren, the Office of Minerals Exploration has been directed by the Department of the Interior to consider measures for land restoration on projects where extensive surface excavations are planned. Where such operations are justified, reasonable costs for restoration will be an allowable expense under the exploration project, payable in the same proportion as other Government-Operator costs of the contract.

Because of recent work in the vicinity of proposed Trenches A and B, you now estimate that the proposed 2,500-foot trenching program would require trenches having an average width of 15 feet and average depth of 17 feet with depths exceeding 20 feet in some places. Excavations on this scale must be considered extensive, and the original state of the surface would not be naturally restored. Under this situation, we would require that the trenches be back-filled after the trenching, mapping, and sampling have been completed. If you would consider undertaking such a program, please furnish an estimate of the cost. Also, please furnish a map or sketch of the location cuts made on the new claims and information on the geology and assays of any samples taken.

In lieu of trenching, would it be practical or feasible to explore the area by drilling inclined holes? Several holes, 150 to 200 feet long, spaced several hundred feet apart, and drilled on a course parallel to proposed Trench A may suffice to determine whether any worthwhile mineralized structures are present.

If the estimated costs for further work are in excess of the total allowable costs in the existing contract, the Government contribution to the total allowable costs in an amended contract for additional funds or in a new contract would be a maximum of 75 percent. The interest rate would be that prevailing on the date of the amended or new contract.

Government participation and rate of interest stated in the present contract are applicable to the funds available in that contract.

We will consider your views on the above proposals before revising proposed Amendment No. 6.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Economic Geology File
OME docket
OME Reading File
OME Region I
Mr. Kirkemo

HKirkemo/gla 2-9-68

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
GEOLOGICAL SURVEY
U. S. Court House, Rm. 656
W. 920 Riverside Avenue
Spokane, Washington 99201
January 11, 1968

OFFICIAL COPY
O. M. E.
RECEIVED
JAN 15 1968

INITIALS	CODE
gh	130
pH	120
	110
	120

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: OME-6481 (Gold-Silver)
Sidney Mining Company
Cook Claims
Owyhee County, Idaho
Contract 2215

Enclosed is a self-explanatory letter dated January 10, 1968, from the subject Operator with which he has returned unsigned all copies of proposed Amendment No. 6. He requests, giving his reasons therefor, five changes which are:

1. Add to the land subject to the contract eight unpatented claims which he located last season. They are Cook 51 through Cook 58 recorded in that order on pages 123 through 130, book 28 of Quartz Locations.

2. Change the specification for dozer with ripper from D8 and D9 at $30.00 per hour to D8H-15A at $25.00 per hour and allow a D8H-46A at $30.00 per hour.

3. Increase the maximum allowable cost for dozing from $4,375.00 to $6,395.00 or $2,020.00. This calculation may be tabulated as follows:

Operator's estimate of additional funds required	$3,540.00	
Maximum dozing cost allowance		$4,375.00
Already approved and paid		2,854.52
Remaining funds for dozing	1,520.48	$1,520.48
Additional funds required	$2,019.52	

4. Decrease funds for diamond core drilling from $23,800.00 to $21,780.00 which would provide for 2,489 feet of BX drilling and a bit more for AX drilling; say, 2,490 feet.

5. Consider this trenching and drilling as a new contract rather than an Amendment so that the Government participation would be at 75 percent instead of 62.5 percent.

The first four requests are reasonable and their approval is recommended. Request 5 is an administrative decision. If this request is acceptable, a report on "Geochemical Prospecting" dated August 21, 1967, a report "Supplementary Report on Geochemical Reconnaissance" dated August 1, 1967, and a report "Supplement to a Report on Trace Elements, dated July 31, 1967, combined are collectively acceptable as an Operator's final report on Contract 2215.

D. R. MacLaren

D. R. MacLaren

Enclosures

M. C. BROWN, President
E. K. BARNES, Vice President
BEN SMICK, Secretary-Treasurer

Sidney Mining Company

FIRST SECURITY BUILDING
KELLOGG, IDAHO
83837

10 January 1968

Mr. D. R. MacLaren, Field Officer
Office of Minerals Exploration
U. S. Court House, Rm. 656
W. 920 Riverside Avenue
Spokane, Wash. 99201

Re: OME-6481 (Gold-Silver)
Cook Claims
Owyhee County, Idaho
Contract 2212

Dear Mr. MacLaren:

We are returning herewith proposed amendment No. 6 unsigned because we believe several changes should be made in it, as follows:

1. Eight more claims have been added to the Cook Group. They are Cook 51 to Cook 58, inclusive, and are recorded in Book 28 of Quartz Locations, pages 123 to 130, inclusive, in the Records of Owyhee County, State of Idaho. The relative positions of these claims are shown on the enclosed map.

2. Work done at the time the location cuts were made on these new claims demonstrated that we had greatly underestimated the overburden in our letter of 28 August 1967, when we guessed that it might average 10 feet deep. At the southwest end of Trench A, a test pit 30 feet long was dozed to what appears to be bedrock at a depth of 17 feet. It would require another 3 feet of depth to confirm that the rock is in place, making a total trench depth of 20 feet. The alluvial cover here seems to be very similar to that on the west ridge, as exposed in OME 1 and 2, and Trench R. There is about 2 feet of soil and 3 feet of angular rhyolite fragments overlying a stream deposit of fine gravel in a clay matrix about 12 feet deep. The clay matrix must be ripped, making excavation slower than in unconsolidated alluviam. The creek at the NE end of Trench A is incised in alluviam to a similar depth, so it appears that all of Trench A may have to be 20 feet deep, or more. The site of Trench A is the steepest part of theridge, so much of Trench B might well be deeper. There is some indication that bedrock may be shallower in some of the northern part of Trench B, but it is unlikely to be less than 10 feet at any point.

It now appears that 17 feet is a reasonable estimate of the average depth. A trench 15 feet wide and 17 feet deep requires the excavation of 9.45 cu yd per lineal foot, or 23,625 cu yds from 2500 feet of trench. At our average of 200 cu yds per hour

it will require 118 hours at $30 per hour, or $3,540. Since $2855 has already been spent on bulldozing, the $4,375 maximum in the proposed amendment leaves only $1,520 unused, which is $2,020 less than the presently indicated requirement.

3. We have found that a D8-15A Caterpillar was the first model equipped with a hydraulic ripper. The tractor is an older model D8 with less power than the D8H. Caterpillar salesmen tell us that its performance rating is about 84% of the D8H-46A. We propose that use of the Model 15A be approved at $25 per hour, which is 83.3% of our 46A price.

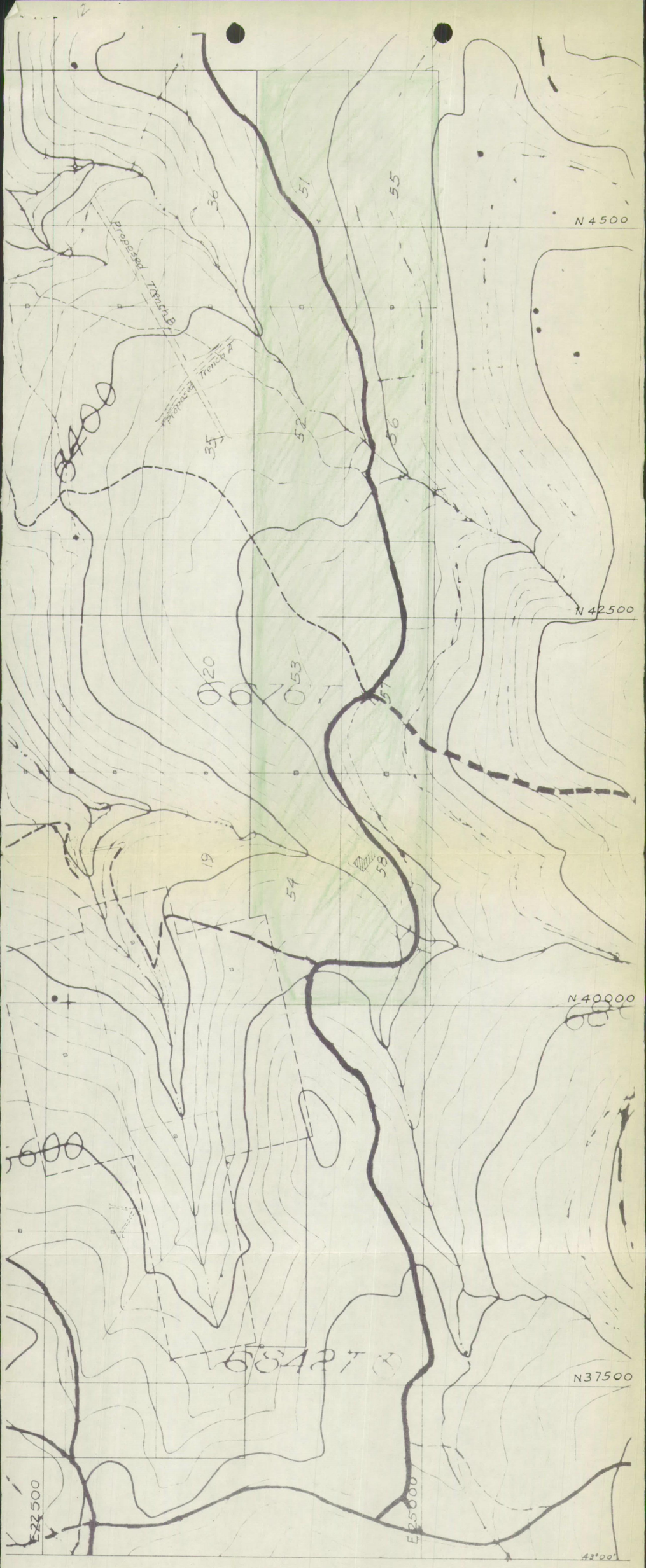
4. In our view this proposed work is practically a completely new project based on the results of about $6,000 worth of work which Sidney did without any participation by the Government. We feel strongly that an amendment of such extensive scope is, in effect, a new contract and urge that Government participation should be 75% on the basis of the anouncement that in "all contracts executed after September 12, 1967" participation may be 75% for both gold and silver.

Yours sincerely,

M. C. Brown
President

MCB:hs

RECEIVED
JAN 10 1968
D. R. MacLaren
SPOKANE, WASH.



East Half of Cook Group
Owyhee County, Idaho
Scale: 1" = 500'

Government's Copy

EXPLORATION CONTRACT
SIDNEY MINING COMPANY
OME-6481

AMENDMENT NO. 6

It is agreed this 8th day of November, 1967, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter referred to as the "Government," and Sidney Mining Company, hereinafter referred to as the "Operator," that Exploration Contract No. 2215 (OME-6481), dated February 28, 1966, as amended, is further amended effective October 1, 1967, as follows:

1. The date fixed by Amendment No. 5 to the Contract for completion of the work is extended from twenty-two (22) to thirty (30) months or to August 30, 1968.

2. The period fixed in Amendment No. 5 to the Contract for suspension of contract work is further extended to June 1, 1968.

3. (a) No costs incurred by the Operator during the period of suspension shall be allowable for contribution by the Government.

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

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

4. The maximum period for royalty payments and for lien to secure payments thereof provided for in the contract is extended from eleven (11) to twelve (12) years from the date of the contract.

5. In Exhibit A

(a) Under the heading General Provisions, the second paragraph as revised by Amendment No. 1 is further revised to read as follows:

> Necessary access roads and drill sites shall be prepared and all trenches excavated to bedrock by using a D-9 caterpillar bulldozer with ripper,

D-8 H-46A caterpillar with ripper, D-7 caterpillar with ripper, or equivalent equipment of another make. The approximate locations of the trenches are indicated on Plate 1, "Plan of Cook Claims" which is attached to the contract and on Figure 1, "Map Showing Proposed Trenches A and B, Cook Claims, Owyhee County, Idaho," which is attached.

(b) Under the heading Description of the Work

(1) The first two paragraphs are revised to read as follows:

> The work shall consist of bulldozing necessary access roads, about 8 trenches, and sixteen drill sites, and drilling sixteen diamond core holes.
>
> The trenches shall be located approximately as indicated on Plate 1 and Figure 1.

(2) Two new paragraphs describing Trenches A and B and associated trenches reading as follows are added:

Trenches A and B shall be located on Cook Claims 33, 34, 35 and 36 about as shown on Figure 1. Trench A on Cook 33 and 35 claims shall be about 700 feet long trending northeasterly across a target area defined by geochemical prospecting. The strongest vein or vein zone exposed in Trench A which warrants additional exploration shall be explored along its strike, probably in a NW-SE direction, by Trench B about 1,800 feet.

With the approval of the Government, trenches may be bulldozed roughly parallel to and spaced no less than 100 feet from Trench A and no less than 100 feet apart to explore other vein structures if the vein initially bulldozed from Trench A does not warrant extensive trenching along strike. Veins warranting further exploration may be trenched along strike. These alternative trenches shall be included in the 1,800 feet allowed for Trench B.

(c) Estimated Cost of the Work, Actual Costs, and Fixed Unit Costs, as amended by Amendment No. 3, is revised in its entirety to read as follows:

Actual Costs

Category (1) Independent Contracts

Bulldozing

Mobilization and demobilization of bulldozer	$ 800.00
Bulldozing access roads, trenches and drill sites	4,375.00*
D-8 and D-9 caterpillar with ripper or equivalent unit @ $30.00/hour	
D-7 caterpillar with ripper or equivalent unit @ $24.00/hour	

Drilling

Mobilization and demobilization of drill	1,200.00
Overburden, 80 feet @ $12.40/foot	992.00
Diamond core, 2,720 feet	23,800.00
BX standard core size @ $8.75/foot or AX standard core size @ $8.10/foot	
Reaming, 200 feet @ $2.50/foot	500.00
Casing, 1,200 feet @ $1.25/foot 1/	1,500.00
50 hours cementing @ $12.00/hour	600.00
400 feet drilling out cement @ $1.50/foot	600.00
48 sacks lumnite cement @ $6.75/sack	324.00
	$34,691.00

Category (2) Personal Services

None except:

Subcategory (a) Supervision and Technical Services

1 Supervisor - engineer - geologist 4.0 months @ $750.00/month	$ 3,000.00	$ 3,000.00

Category (7) Miscellaneous

None except:

F.I.C.A. and other insurance @ 15% (rounded)	425.50	$ 425.50
Total Estimated Actual Costs 2/		$38,116.50

Fixed Unit Costs

Incidental cost for each foot of drill hole, 2,720 feet @ $0.21/foot	$ 571.20	
275 core boxes @ $1.00 each	275.00	
410 sample sacks @ $0.25 each	102.50	
381 samples assayed for gold and silver @ $3.00/sample	1,143.00	
Total Estimated Fixed Unit Costs (rounded)		$ 2,091.50
Total Estimated Cost of Project		$40,208.00

* Indicates a maximum.

1/ The Government will not contribute to the cost of casing left in place at the request of the Operator.

2/ Includes all costs whatsoever that would be allowable costs under Categories (3) through (7).

SUMMARY

Total Estimated Actual Costs	$38,116.50
Total Estimated Fixed Unit Costs	2,091.50
Total Estimated Cost of Project	$40,208.00
Government Participation @ 62-1/2%	$25,130.00

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

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
Chief, Office of Minerals Exploration
U. S. Geological Survey

Long
APPR. FOR. CHF.
Kirkham
Johnson
Kielgaard
Byyn

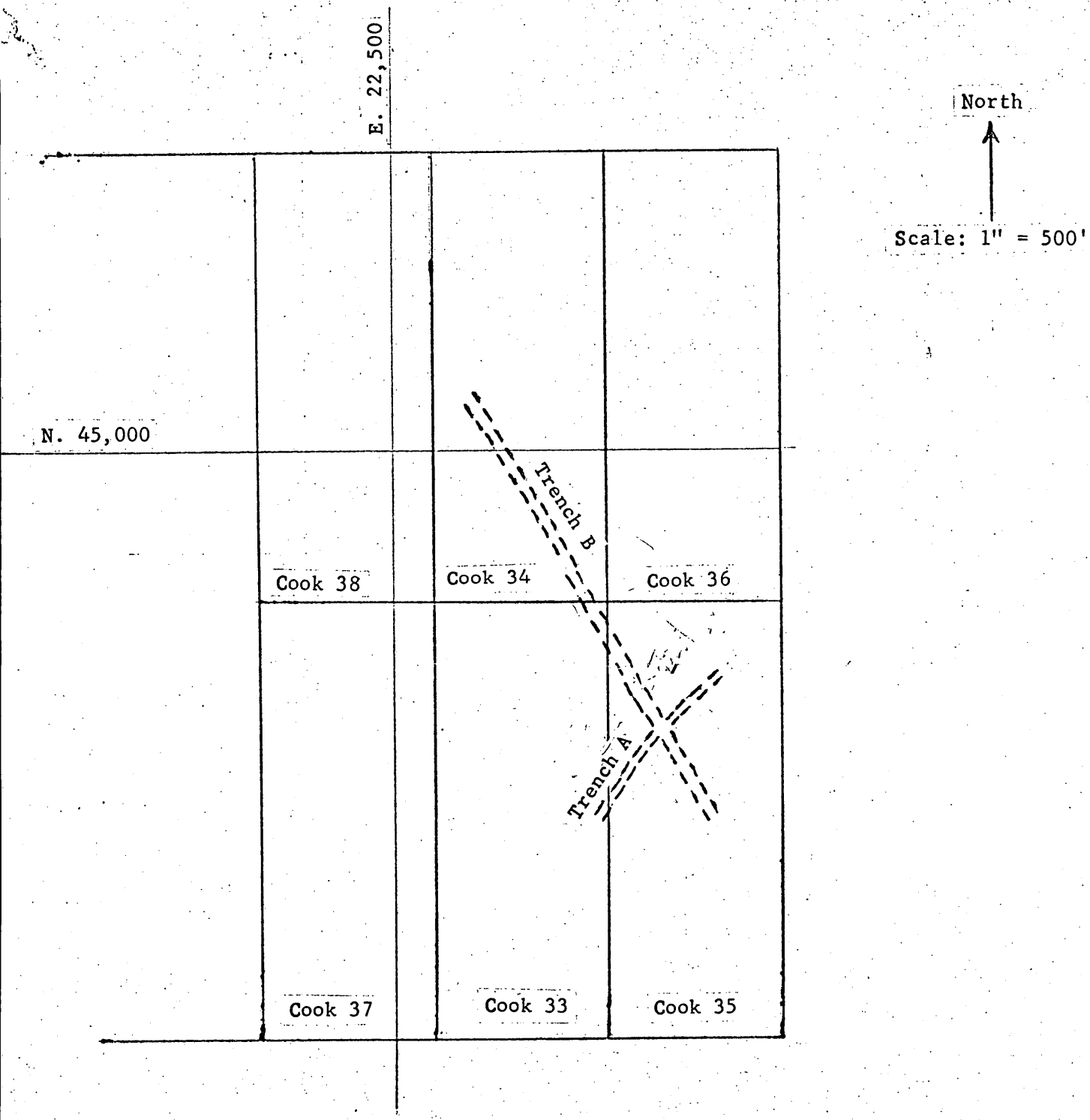
SIDNEY MINING COMPANY

By _____

Title _____

U. S. Geological Survey
Office of Minerals Exploration

OME-6481
Sidney Mining Company



Map Showing
Proposed Trenches A and B
Cook Claims
Owyhee County, Idaho

Figure 1
Amendment No. 6

OFFICIAL FILE COPY

Date	Surname	Code
10/26/67		~~120~~
		120
10/27	Johnson	110
		220
		120M

October 27, 1967

Memorandum

To: The File

From: Asst. Chief, Office of Minerals Exploration

Subject: OME-6481 (Gold-Silver)
Sidney Mining Company
Cook Claims
Owyhee County, Idaho
Contract 2215

Amendment #6 returned unsigned. See R-I memo 4/11/68 & enclosures

Justification for Amendment No. 6

No economically important ore bodies were disclosed by the work completed on the contract to date. The Operator has decided that further drilling of the original target areas, which are based on geochemical anomalies, would be futile. A statistical analysis of the geochemical data completed by the Operator in August 1967 suggests that the major veins may be in areas where hydrothermal activity widely dispersed the trace elements, and, as a consequence, negative geochemical anomalies may now exist. One such area is proposed by the Operator for trenching and sampling.

The Operator's report on statistical analysis of the geochemical data was reviewed by Robert G. Reeves, U.S.G.S., a specialist in geochemical work. Reeves concluded that on the basis of the data presented, the proposal offered by the Operator warranted further testing in the field. The site of proposed Trenches A and B was considered to be the best area for testing. The Field Officer concurs in Reeves' conclusion.

The concept of ore bodies associated with negative geochemical anomalies has been tested elsewhere and found to be a valid support for exploration.

The proposed trenching and sampling program for Trenches A and B is estimated to cost about $4,200. About $17,100 in unused funds remain on the contract. Funds for the proposed work under Amendment No. 6 were derived from the item "Diamond core drilling", in Category (1) of the contract.

In the event weather conditions permit and a bulldozer and operator can be obtained, the Operator hopes to undertake and complete Trenches A and B in the Fall of 1967. If not, the work will be done in the late Spring of 1968.

Harold Kirkemo

Harold Kirkemo

cc: Director's Reading File
Division File
Economic Geology File
OME File - OME Reading File - Mr. Kirkemo

HKirkemo/bsl 10/26/67

23263

OME

GEOLOGICAL SURVEY
U. S. Court House, Rm. 656
W. 920 Riverside Avenue
Spokane, Washington 99201
November 14, 1967

OFFICIAL COPY
O. M. E.
RECEIVED
NOV 20 1967
INITIALS | CODE
BH | 120 M
JHD | 110
LIK | 120

Mr. M. C. Brown, President
Sidney Mining Company
First Security Building
Kellogg, Idaho 83837

Re: OME-6481 (Gold-Silver)
Cook Claims
Owyhee County, Idaho
Contract 2212

Dear Mr. Brown:

Enclosed are the original and three copies of a proposed Amendment No. 6 (five pages and one figure) to the subject contract, signed for the Government by the Chief, Office of Minerals Exploration.

If the proposed amendment is satisfactory to you, please sign all four copies, retain the Operator's copy, and return the other copies to this office.

If the amendment is not satisfactory, please return all copies unsigned to this office with a statement of your proposed changes for consideration.

Sincerely yours,

Mary L. Smelser for
D. R. Maclaren
Field Officer, OME
Region I

Enclosures

MLSmelser/mls

cc: OME

Director's Reading File

m 7

OFFICIAL FILE COPY

Date	Surname	Code
11/6/67	Kirkemo	120
"	Johnson	110
11/7	Kilgoard	
11/8	Klepper	
		220
		120M

NOV 8 1967

AIRMAIL

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6481 (Gold-Silver)
Sidney Mining Company
Cook Claims
Owyhee County, Idaho
Contract 2215

In reference to Robert G. Reeves' memorandum of October 5, 1967 and our conferences with you by phone since then, the original and three copies of a proposed Amendment No. 6 (five pages and one figure) to the subject contract, signed by the Government, are enclosed. Also forwarded is an extra copy for field use.

If the proposed amendment is satisfactory to you and the Operator, all four copies should be signed by an authorized representative of the Operator. Thereafter, please distribute the copies in the usual manner.

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

FRANK E. JOHNSON

Frank E. Johnson

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
Mr. Kirkemo
130

HKirkemo/bsl 11/6/67

23263

FORM 6
12-56

REFERENCE SLIP

DEFENSE MINERALS EXPLORATION ADMINISTRATION

TO:	INITIALS	DATE
1. Asso. Sol.--~~MR.~~ Room 6554 ~~(Through Room 6042)~~	3192	
2. Mr. ~~Smith~~, Room 4459	SOLICITOR	11/3/67
3. Kirkemo, 2068	HK	11/6/67
4.		
5.		

FROM: Chief, OME

FOR: Check items for action desired

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

REMARKS:

Please return map.

FROM SOLICITOR
NOV 9 1967
FOR SIGNATURE

RECEIVED
OCT 31 1967
Division of Mineral Resources
General Legal Services

INTERIOR DEPT.

INT.-DUP. SEC., WASH., D.C. M25803

To Legal 10-31

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120 Rmd.
~~110 file~~

EXPLORATION CONTRACT
SIDNEY MINING COMPANY
OME-6481

AMENDMENT NO. 6

It is agreed this _____ day of _____, 1967, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter referred to as the "Government," and Sidney Mining Company, hereinafter referred to as the "Operator," that Exploration Contract No. 2215 (OME-6481), dated February 28, 1966, as amended, is further amended effective October 1, 1967, as follows:

1. The date fixed by Amendment No. 5 to the Contract for completion of the work is extended from twenty-two (22) to thirty (30) months or to August 30, 1968.

2. The period fixed in Amendment No. 5 to the Contract for suspension of contract work is further extended to June 1, 1968.

3.(a) No costs incurred by the Operator during the period of suspension shall be allowable for contribution by the Government.

(b) The Government shall not contribute to any costs of rehabilitation or repair which in its opionion would not have occurred if there had be no suspension of the work.

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

4. The maximum period for royalty payments and for lien to secure payments thereof provided for in the contract is extended from eleven (11) to twelve (12) years from the date of the contract.

5. In Exhibit A

(a) Under the heading General Provisions, as revised by Amendment No. 1, the second paragraph is further revised to read as follows:

> Necessary access roads and drill sites shall be prepared and all trenches excavated to bedrock by using a D-9 caterpillar bulldozer with ripper, D-8 H-46A caterpillar with ripper, D-7 caterpillar with ripper, or equivalent equipment of another make. The approximate locations of the trenches are indicated on Plate 1, "Plan of Cook Claims" which is attached to the contract and on Figure 1, "Map Showing Proposed Trenches A and B, Cook Claims, Owyhee County, Idaho," which is attached.

(b) Under the heading Description of the Work

(1) The first two paragraphs are revised to read as follows:

> The work shall consist of bulldozing necessary access roads, about 8 trenches, and sixteen drill sites, and drilling sixteen diamond core holes.

The trenches shall be located approximately as indicated on Plate 1 and Figure 1.

(2) Two paragraphs describing Trenches A and B and associated trenches are added to read as follows:

Trenches A and B shall be located on Cook Claims 33, 34, 35 and 36 about as shown on Figure 1. Trench A on Cook 33 and 35 claims shall be about 700 feet long trending northeasterly across a target area defined by geochemical prospecting. The strongest vein or vein zone exposed in Trench A which warrants additional exploration shall be explored along its strike, probably in a NW-SE direction, by Trench B about 1,800 feet.

With the approval of the Government, trenches may be bulldozed roughly parallel to and spaced no less than 100 feet from Trench A and no less than 100 feet apart to explore other vein structures if the vein initially bulldozed from Trench A does not warrant extensive trenching along strike. Veins warranting further exploration may be trenched along strike. These alternative trenches shall be included in the 1,800 feet allowed for Trench B.

(c) Estimated Cost of the Work, Actual Costs, and Fixed Unit Costs, as amended by Amendment No. 3, is revised in its entirety to read as follows:

Actual Costs

Category (1) Independent Contracts

Bulldozing

Mobilization and demobilization of bulldozer	$ 800.00
Bulldozing access roads, trenches and drill sites	4,375.00*
D-8 and D-9 caterpillar with ripper or equivalent unit @ $30.00/hour	
D-7 caterpillar with ripper or equivalent unit @ $24.00/hour	

Drilling

Mobilization and demobilization of drill	1,200.00
Overburden, 80 feet @ $12.40/foot	992.00
Diamond core, 2,720 feet	23,800.00
BX standard core size @ $8.75/foot or AX standard core size @ $8.10/foot	
Reaming, 200 feet @ $2.50/foot	500.00
Casing, 1,200 feet @ $1.25/foot 1/	1,500.00

50 hours cementing @ $12.00/hour	$ 600.00	
400 feet drilling out cement @ $1.50/foot	600.00	
48 sacks lumnite cement @ $6.75/sack	324.00	
		$ 34,691.00

lumnite

Category (2) Personal Services

None except:

Subcategory (a) Supervision and Technical Services

1 Supervisor - engineer - geologist

4.0 months @ $750.00/month	$3,000.00	3,000.00

Category (7) Miscellaneous

None except:

F.I.C.A. and other insurance @ 15% (rounded)	$ 425.50	425.50
Total Estimated Actual Costs		$38,116.50

Fixed Unit Costs[2/]

Incidental cost for each foot of drill hole, 2,720 feet @ $0.21/foot	$ 571.20	
275 core boxes @ $1.00 each	275.00	
410 sample sacks @ $0.25 each	102.50	
381 samples assayed for gold and silver @ $3.00/sample	1,143.00	
Total Estimated Fixed Unit Costs (rounded)		$ 2,091.50
Total Estimated Cost of Project		40,208.00

* Indicates a maximum

1/ The Government will not contribute to the cost of casing left in place at the request of the Operator.

2/ Includes all costs whatsoever that would be allowable costs under Categories (3) through (7).

SUMMARY

Total Estimated Actual Costs	$38,116.50
Total Estimated Fixed Unit Costs	2,091.50
Total Estimated Cost of Project	$40,208.00
Government Participation @ 62-½%	$25,130.00

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

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
Chief, Office of Mineral Exploration
U. S. Geological Survey

SIDNEY MINING COMPANY

By_____

Title_____

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

October 5, 1967

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 5 1967

INITIALS	CODE
BLL	120 M
JGJ	~~110~~
	120
	file

Memorandum

To: Chief, Office of Minerals Exploration

From: Robert G. Reeves, Geologist

Subject: OME 6481, Sidney Mining Company

The request of the Sidney Mining Company to reallocate $4,175.00 of unused drilling funds for the sampling of target zones based on geochemical prospecting and trend surface analyses appears fully justified on the basis of the evidence presented. The geochemical work has demonstrated correlation between the quantities of copper, lead, and zinc in the soil samples and in the underlying bedrock. Arsenic and mercury are greater in the bedrock than in the soil. The geochemical work in nearby areas have indicated that the major productive zones are in anomalously low concentration areas, owing to the unusually wide dispersion of the trace metals away from their source. Trenches A and B are sited to explore areas of low concentration of these elements in the soil. The premise on which this is based is most interesting and appears worthy of further testing. The amount of money to be expended on this is minimal, and the chances of proving a very interesting geochemical concept, which could lead to discovery of ore bodies, appear good.

cy to P-I 10/6/67

MME FORM 6 REFERENCE SLIP
REV. 2- OFFICE OF MINERALS EXPLORATION

	DATE	INITIALS
TO: Chief, OME	9/14/67	
1. Re: OME-6481 (Gold-Silver)		
2. Sidney Mining Company		
Cook Claims		
3. Owyhee County, Idaho		
Contract 2215		
4.		
5. D. R. MacLaren		
FROM: Fld. Officer, Reg. I		

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O. M. E.
RECEIVED
SEP 18 1967

INITIALS	CODE
glu	120
	120
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	120

FOR: Check items for action desired

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

REMARKS: The attached letter of 8/28/67 accompanies the data forwarded to you by this office on 9/6/67.

INT.-DUP. SEC., WASH., D.C. M56300-62

M. BROWN President
E. K. APNES, Vice President
M. N. MICK Secretary-Treasurer

Sidney Mining Company

FIRST SECURITY BUILDING
KELLOGG, IDAHO
83837

28 August 1 67

Mr. W. M. Maclaren,
Office of Minerals
South 1[illegible] Howard St
Spokane, Washington

[illegible]bl (Gold-Silver)
Claims
[illegible]e County, Idaho
act 2212

[illegible] McLaren:

[illegible] on the Cook
[illegible] trenches
[illegible] report was
[illegible] reconnaissance
[illegible] Cook Group.

[illegible] work to delineate
[illegible] ve veins between
[illegible] ates that the
[illegible] ive abundance
[illegible] . The other two,
[illegible] lly wide disper-
[illegible] ns lying in
[illegible] appears on the
[illegible]).

[illegible] disclose
[illegible] persistent and consistent.
[illegible] ery drill [illegible] ere vein zones in
[illegible] one, confirm [illegible] that the problem
[illegible] finding a vein. The problem [illegible] find the right vein. //
[illegible] that are not right.

We believe that it would be most futile to spend any more money
[illegible] last year's targets before exploring the main non-anomalous
area [illegible] of the Cook Group, this narrow area trending
[illegible], with deep cover and no outcrops, except around the margins,
by empirical analogy should be the exploration target with the high-
est probability of success on the Cook Group.

Therefore, we propose that the contract be amended to provide that
$4,175.00 of the unused drilling funds remaining under the contract
be reallocated

10/5/67

Phoned MacLaren re Sidney docket OME-6481 and Reeves' recommendation dated Oct. 5, '67.

MacLaren will contact Malcolm Brown to determine whether Brown intends to do proposed trenching this fall. Also, is there any drilling involved?

If work is planned this fall, we'll have to extend sewer. Will have to amend contract to allow additional work on remaining funds.

MacLaren will phone plans.

Kirkem.

to trench and sample this zone. We propose excavating Trench A about 700 feet transversely across the zone, followed by longitudinal Trench B for about 1800 feet along the strongest vein exposed in Trench A (Report (c), Plate 5). These trench sites are on steeper slopes, so bedrock cover should be thinner than last year's sites on the west ridge, where overburden reached 20 feet in Trench R. If we assume an average depth of 10 feet and 15' width, we have 5.6 cubic yards per linear foot, or 14,000 cu. yds. in 2,500 linear feet. Our average with the D8-H last year was 200 cu. yds. per hour, at $30 per hour. After last year's experience, the type of bulldozer or number of hours should not be restricted except by the maximum costs. We should be able to use any type of machine we can obtain with an integral hydraulic ripper. For example, a D8-H should do the job in 70 hours at $30 an hour; a D7 might require more hours, but its lesser cost per hour might result in a smaller overall cost.

Our experience (and Continental's) last year demonstrated that in this area it is impossible to look at two specimens of vein material and guess which will assay something and which nothing. So a great many samples should be assayed, but probably not every five feet. Probably about 250 samples should be taken from the 2500 feet of trench.

We item[illegible] the estimated cost of the trenching as follows:

Actual Costs

Category (1) Independent Contracts

Bulldozing

Mobilization & demobilization of bulldozer	$400.00	
Bulldozing access roads & trenches 70 hours @ $30.00/hour	2,100.00	$2,500.00

Category (2) Personal Services

None except:

(Subcategory (a) Supervision and Technical Services)

1 Supervisor-engineer-geologist 1.0 month @ $750.00/month	$750.00	$750.00

Category (7) Miscellaneous

None except:

F.I.C.A. and other insurance 15% of payroll	$112.50	$112.50
Total estimated actual costs		$3,362.50

Fixed Unit Costs

250 sample sacks @ $0.25/each	$ 62.50	
250 assays for gold and silver $3.00/assay	750.00	$812.50
Total estimated Fixed Unit Costs		$812.50
Total Estimated Cost of Trenching		$4,175.00

SUMMARY

Total Estimated Actual Costs	$3,362.50
Total Estimated Fixed Unit Costs	812.50
Total Estimated Cost of Trenching	$4,175.00

We will locate additional claims on the east side of the Cook Group so that no part of the work will be within 200 feet of the property boundary.

Based on the results of the trenching, we may agree upon further drilling, or possible drifting may appear more attractive.

Yours very truly,

M. C. Brown

M. C. Brown
President

MCB:hs

GEOCHEMICAL PROSPECTING

on the

COOK GROUP

Silver City Area, Owyhee County, Idaho

for

SIDNEY MINING COMPANY

Kellogg, Idaho

SUMMARY

Detailed trend surface deviation maps were made of the Cook area on a scale of 1:6,000, as were composite anomaly maps of Delamar and Florida Mountain areas. The composites on this scale confirm the non-anomalous environment of the major productive veins on Delamar and Florida Mountains, and the existence of a similar non-anomaly on the Cook Group. By empirical analogy the Cook east-ridge should be the prime exploration target on the Cook Group, and possibly in the whole area between Silver City and Delamar. Exploration by bulldozer trenching followed by diamond drilling or drifting is recommended.

INTRODUCTION

During the latter half of 1966, under a contract with the Office of Minerals Exploration, Sidney explored, by trenching and diamond drilling, in three widely separated areas on its Cook Group of claims. The work did not develop any ore but did disclose numerous shear or breccia zones, mineralized with abundant pyrite, in extensive zones of moderate to intense hydrothermal alteration, mostly propylitic. These are features which characteristically occur surrounding centers of ore deposition, often at a considerable distance. The work indicated that the area had experienced much hydrothermal activity, but our sites were too far removed from the center of mineralization. In an effort to identify favorable centers more closely, many more close spaced soil samples were taken on the Cook Group, especially from the east half which had been inadequately sampled before. Additional wide spaced samples were taken thruout the area between Silver City and Delamar. The resultant data were used to make plane trend surface and deviation maps for five parameters covering 28 square miles from Delamar to Florida Mountain. From these maps were derived empirical limits of positive and negative deviations from the trend surfaces so that least favorable areas were ruled out, leaving the major productive veins of both Delamar and Florida Mountain in essentially blank or unruled areas (Brown, 1967-b, Map 7).

COOK GROUP DETAILS

The Delamar - Florida Mountain maps were made on a scale of 1:24,000, averaging sample localities or cells 1200 feet square and using a minimum sample spacing of 300 feet. More detailed maps were made of the Cook area on a scale of 1:6,000, using all available samples, averaged in cells 500 feet square (Plates 1). A total of 784 samples is distributed in 211 cells for all parameters except mercury, which has 390 samples in 149 cells. On each map the Delamar - Florida Mountain plane trend surface is defined by straight line contours, the positive deviations are contoured on an unequal interval which is a geometric progression and a single negative contour is drawn.

Means of rock samples from last season's trenches and diamond drill holes were compared with the means of soil samples from the overlying cells. The results indicated that lead, zinc and copper in the soil samples may generally be accepted as representative of the bedrock beneath and that arsenic and mercury are usually higher in the underlying bedrock than in the soils (Brown, 1967-a). When the 1:6,000 deviation maps (Plates 1) are compared with the equivalent 1:24,000 deviation maps (Brown, 1967-b, Maps 2) there is, considering the difference in scale, size of cells and number of samples, a striking similarity in the shape and magnitude of the deviations. I believe that both this and the bedrock comparisons are evidence of the value of cell averaging data.

DISCUSSION OF DEVIATION MAPS

Arsenic (Plate 1A). This map shows a generally negative area on the west side of a large positive anomalous area, very similar to the 1:24,000 Map 2A (Brown, 1967-b). However, the detail map shows an embayment between the main mass and a westerly prong indicated by a discontinuous line of near trend areas. This embayment is similar to that in which the Trade Dollar - Black Jack vein lies on the east side of the high arsenic area.

Copper (Plate 1C). This, like Map 2C, shows broadly distributed near-trend copper on the Cook Group and the edge of the high anomaly on the north.

HM/Cu Ratio (Plate 1HMC). Here the smaller size of the cells better displays the wide and sudden variance in the ratio. Nevertheless, the overall picture is much the same as Map 2HMC, low in the north and high at the south end of the Cook Group.

Lead + Zinc (Plate 1LZ). Here also many detailed variations appear but overall it is similar to Map 2LZ, low at the north end, high in the southeast and west central parts.

Mercury (Plate 1M). This map is strikingly like Map 2M, showing the edge of the high area at the north end and, in more detail, the low discontinuous positive ridge from NW to SE across the Cook Group.

COMPOSITE ANOMALY MAPS

A composite anomaly map (Plate 2) was made from the Cook deviation maps, using the same plus and minus limits as in the 1:24,000 composite (Map 7), on which by empirical analogy the blank or unruled areas should be the most favorable geochemical environment for ore deposits similar to the most productive veins of the early days.

1. On this scale and using the 500' cell, several analagous features may be observed. The blank strip along the east ridge on the Cook Group (hereafter referred to as "Cook eastridge") is narrower than on Map 7 and is interrupted in three places by high or low heavy metals or HM/Cu ratio, but similar transgressions occur in both the Florida Mountain (Plate 3) and Delamar Mountain (Plate 4) composites of this scale, and may be related to variations in silver/gold ratio (Brown, 1967-b).

2. Both Delamar and Black Jack - Trade Dollar veins lie in areas of near-trend arsenic between a large high-arsenic area and a lesser outlying high-arsenic area. So does the Cook eastridge, except that arsenic in the outlier is of lesser magnitude.

3. At both Florida Mountain and Cook eastridge the main high arsenic area is associated with low copper, lead and zinc but the arsenic outlier is associated with high heavy metals.

4. Within the large mercury halo surrounding the region relatively small areas of + 100 Hg, or a little higher, are associated with each of the three subareas. At Florida Mountain it is to the east and outside of the arsenic outlier; from Cook eastridge it is west and almost coincident with the arsenic outlier; at Delamar a small area of + 100 Hg lies in the vein zone itself.

5. It is interesting to note on Plate 2 that OME-6 is the only one of the three areas drilled that lies partly in a blank space, a small isolated pocket to the west of the main eastridge blank. DDH-1, 2 and 3 in this area not only had consistently higher silver than any other holes drilled but had five samples containing from a trace to 0.004 oz. gold per ton. None of 47 samples from other drill holes had even a trace of gold.

CONCLUSIONS

1. Trend deviation maps on a larger scale with additional sample data confirm the "non-anomalous" environment of the major productive veins on Delamar and Florida Mountain.

2. They also confirm and delineate more closely the eastridge blank or non-anomaly on the Cook Group.

3. By empirical analogy the eastridge blank should be the prime exploration target on the Cook Group, and possibly in the whole area between Silver City and Delamar.

RECOMMENDATIONS

1. A bulldozer trench about 600 feet long should be made across the eastridge blank strip at approximately the location marked "A" on Plate 5. Overburden may be quite deep and the actual site should be selected on the ground where it promises to be the shallowest.

2. This trench may be expected to expose several veins or vein zones. The strongest one should be selected for longitudinal exploration by a northwesterly trending trench (or series of en echelon trenches to facilitate waste disposal) for at least 1,000 feet, marked "B" on Plate 5. It is a well established fact that the information obtained by stripping a vein longitudinally is just as valuable as that obtained from a drift, but a great deal cheaper.

3. Exposures in the trenches should be adequately sampled to obtain data, from which sites will be selected for further exploration by drilling and/or drifting. It may be noted from the contours on Plate 5 that the initial exploration sites are on the steeper part of the ridge, not only providing for easier disposal of waste from the trenches but also possible tunnel sites.

4. Additional claims should be located to protect the southeasterly extension of the target area.

Malcolm C. Brown

MALCOLM C. BROWN

Kellogg, Idaho
21 August 1967

REFERENCES

Brown, M. C., 1967-a, Supplement to a report on trace elements in trenches and diamond drill holes: Unpublished report for Sidney Mining Company.

_____, 1967-b, Supplementary report on geochemical reconnaissance, Silver City area: Unpublished report for Sidney Mining Company.

Cook Group

Comparison of Soil & Rock Samples — M.C.B. Aug/1967

45-116 EYE-EASE 45-416 20/20 BUFF

		① Heavy Metals No of Samples	① Heavy Metals Total ppm	② Copper No of Samples	② Copper Total ppm	③ Arsenic No of Samples	③ Arsenic Total ppm	④ Lead+Zinc No of Samples	④ Lead+Zinc Total ppm	⑤ HM/Cu Ratio No of Samples	⑤ HM/Cu Ratio Total HM/Cu	⑥ Mercury No of Samples	⑥ Mercury Total ppb	⑦
1	OME-6 Area.													
2	Soils in 4 cells (1000'x1000')	18	129	18	96	18	117	18	41	18	27.1	18	1185	
3	Average Soils, S	18 x	7.17	18 x	5.33	18 x	6.5	18 x	2.28	18 x	1.51	18 x	65.83	
4	Rocks in Trench OME-6	20	190	20	154	20	486	20	60	20	39.4	20	4496	
5	Average, R_T		9.5		7.7		24.3		3.00		1.97		224.8	
6	R_T/S Ratio		1.32		1.44		3.74		1.32		1.30		3.41	
7	Rocks in DDH 1,-2,3,	21	2425	21	1124	82	378	21	1301	21	102.3	82	6847	
8	Average, R_{DH}		115.5		53.5		4.61		61.95		4.87		83.5	
9	R_{DH}/S Ratio		16.11		10.04		0.71		27.17		3.22		1.27	
10	R_{DH}/R_T Ratio		12.16		6.95		0.19		20.65		2.60		0.37	
11	OME-4 Area													
12	Soils in 2 cells (500'x1000')	11	154	11	68	11	3.0	11	88	11	27	9	543	
13	Average Soils, S	11 x	14.0	11 x	6.18	11 x	0.27	11 x	8.0	11 x	2.45	9	60.33	
14	Rocks in Trench OME-4	13	189	13	58	13	6	13	115	13	33.9	13	4563	
15	Average, R_T		14.55		4.46		0.46		8.85		2.61		351.0	
16	R_T/S Ratio		1.04		0.72		1.70		1.11		1.07		5.82	
17	Rocks in DDH 5,-7,-8	21	1460	21	1201	78	144	21	492	21	203.2	78	57,393	
18	Average, R_{DH}		69.52		57.19		1.85		23.43		9.68		735.8	
19	R_{DH}/S Ratio		4.97		9.25		6.85		2.93		3.95		12.20	
20	R_{DH}/R_T		4.78		12.82		4.02		2.65		3.71		2.10	
21	Trench R Area													
22	Soils in 2 cells (500'x1000')	15	378	15	57.5	15	00.0	15	330	15	109.5	15	1271	
23	Average Soils, S	15 x	25.2	15 x	3.83	15 x	0.0	15 x	22.0	15 x	7.30	15	84.7	
24	Rocks in Trench R	20	410	20	53	20	48	20	367	20	188.1	20	28,102	
25	Average, R_T		20.5		2.65		2.40		18.35		9.41		1405.1	
26	R_T/S Ratio		0.81		0.69		∞ ?		0.83		1.29		16.59	
27	Rocks in DDH 9,-11	26	1932	26	389	93	39	26	1543	26	158.1	93	61,413	
28	Average R_{DH}		74.31		14.96		0.42		59.35		6.08		660.35	
29	R_{DH}/S Ratio		2.95		3.91		∞ ?		2.70		0.83		7.80	
30	R_{DH}/R_T Ratio		3.62		5.65		0.18		3.23		0.65		0.47	
31	Means:													
32	R_T/S		1.06		0.95		> 2.72		1.09		1.22		8.61	
33	R_{DH}/S		8.01		7.73		> 3.78		10.93		2.67		7.09	
34	R_{DH}/R_T		6.85		8.47		1.46		8.84		2.32		0.98	
35														

Plate 2.6

SUPPLEMENTARY REPORT ON

GEOCHEMICAL RECONNAISSANCE

Silver City Area, Owyhee County, Idaho

for

SIDNEY MINING COMPANY

Kellogg, Idaho

SUMMARY

Data from more intensive soil sampling of about 28 square miles between Silver City and Delamar are presented in the form of plane trend surface maps of arsenic, copper, lead + zinc, mercury and a heavy metal/copper ratio. The maps support the idea that there were at least two periods of metallization; one was mostly silver, the other gold. Probably the major productive veins were those where conditions were such that they received enough from each phase to make them high grade.

The major productive veins of both Delamar and Florida Mountain lie in areas of neither anomalous high nor anomalous low values of any of the five parameters. A similar "non-anomalous" area trends along the east ridge on the Cook Group.

INTRODUCTION

During the 1966 season about 175 more wide spaced soil samples were taken in the Silver City region, mostly between Florida Mountain and Delamar, in addition to about 380 close-spaced samples on the east half of the Cook Group.

Procedures were the same as in past years both in the field and in the lab (Brown, 1965) except that all samples, including about 700 from past years, were analyzed for readily extractable copper by the biquinoline method in a cold HCl extract (Ward, F. N. & others, 1963, p. 25). From the latter determinations two additional parameters were obtained. Copper was subtracted from readily extractable heavy metals to obtain a measure of lead plus zinc, and copper was divided into heavy metals to give a HM/Cu ratio.

STATISTICAL ANALYSIS

An area about 7 miles long and 4 miles wide between Silver City and Delamar was clearly the most interesting so it was selected for a trend surface analysis. This statistical technique, particularly applicable to mineral sample data, is probably the most useful tool

developed in recent years to aid in empirical interpretation of geochemical surveys (Krumbein, 1959; Nordeng, 1964; Whitten, 1961). A polynomial equation describing the trend surface is derived by least squares so as to best fit the observed data. "Best fit" means a unique solution in which the sum of the squares of data deviations from the surface is a minimum. The simplest trend surface is a plane, described by a linear equation. A quadratic equation is the simplest polynomial that is capable of describing a curved surface, which may take the form of a single simple dome, basin, ridge, valley or saddle. I had hoped to use quadratic surfaces for this interpretation but the local computer center was unable to calculate it, so we had to settle for plane trend surfaces.

Maps showing plane trend surfaces for arsenic (Map 2A), copper (Map 2C), heavy metal/copper ratio (Map 2HMC), lead + zinc (Map 2LZ) and mercury (Map 2M) have been developed for the Delamar-Florida Mountain area. Each sample site and its value are shown, except that on lines which had been sampled at 100-foot intervals only every third sample was used. To reduce the effect of sampling error and local trend variations, the whole area was divided into sample localities defined by square "cells", measuring 1200 feet on a side (Conner and Miesch, 1964; Miesch, 1967, pp. 5-7). A total of 697 sample sites were distributed in 222 cells, ranging from 1 to 16 per cell. Because of a limited budget only 400 mercury analyses were available, distributed in 145 cells. All the analyses in each cell were averaged to give a single mean value for each parameter to be assigned to that cell. This mean value, located by the coordinates of the center of the cell, was used to develop the trend surface for each parameter by linear regression. As the trend surface is a plane, contours on it are straight lines across the map. Also indicated for each cell is the trend value plus or minus the deviation from the trend; their algebraic sum is equal to the observed mean value for that cell. On each map the positive deviations are also contoured and a single negative contour is added. Note that the contour interval is not uniform but is a geometric progression.

Any deviations from a trend surface on cell average data are indicative of significant anomalous areas, relative to a regional trend. This view is based on Whitten's research, from which he concluded that when trend surfaces are constructed from cell-average data they "are virtually regional trend maps in which most of the local variations from the main trend have been eliminated by the averaging process." (Whitten, 1959, p. 840).

Following is an analysis of variance of the fit of the plane trend surface for each parameter:

Parameter	Source of Variation	Sum of Squares	Degrees of Freedom	Mean Square	F	F (0.05)
Copper	(Linear terms)	485.90	2	242.95	15.6843	3.13
	(Residuals	2,905.48	219	15.49		
Arsenic	(Linear terms)	171.14	2	85.57	0.8854	3.13
	(Residuals	20,994.80	219	96.65		
Lead + Zinc	(Linear terms)	1,055.28	2	527.64	6.2588	3.13
	(Residuals	18,462.36	219	84.30		
HM/Cu	(Linear terms)	354.28	2	177.14	6.1916	3.13
	(Residuals	6,265.58	219	28.61		
Mercury	(Linear terms)	69.09	2	34.55	0.6670	3.14
	(Residuals	7,356.10	142	51.80		

This shows that the copper is a relatively good fit for a plane, the Pb + Zn and HM/Cu are moderately good fits, but the arsenic and mercury need a higher order surface to achieve a good fit but, as explained above, we were unable to obtain it. However, this is not necessarily bad for our objectives because the higher order trend surfaces are often most useful in small local anomalous areas to picture the actual shape of the anomaly, which is originally indicated by deviations from a plane trend surface. Krumbein observed that "it is sometimes advantageous to extract only the linear surface from the observed data and to examine the deviations from it" for "partial trend surface maps, and especially maps of deviations from them, provide a way of examining implications of the data that are less clearly shown when the complete trend and residuals are used directly" because "deviation maps from low-order surfaces may suggest geological relations that could be overlooked on a complete trend surface map and its corresponding residual map." (Krumbein, 1959, pp. 832-833).

DISCUSSION OF RESULTS

Study of these maps leads to the following observations:

Arsenic (Map 2A) A large area of anomalous arsenic lies on the west flank of Florida Mountain and another on Delamar Mountain. West of Delamar Mountain is another high area which possibly should be considered part of the Delamar high separated from it by embayments. The major productive Florida Mountain veins lie in a double embayment on the east flank of the arsenic high. The Delamar veins lie adjacent too, but not in, a small depression, or dimple, in the arsenic high.

This is mostly due to the fortuitous location of the cell boundaries. Inspection shows that if the north boundary of the cells containing the veins had fallen 100 feet farther south a row of high samples would have been in the cell to the north, leaving the veins in relatively low cells.

Copper (Map 2C) Copper is quite widely dispersed in the low relief over the whole map, but the apparent halo around the arsenic centers is farther out than the lead + zinc. There is a large high area in the northwest and the major productive veins lie in shallow negative areas.

Heavy Metal/Copper Ratio (Map 2HMC) There are several scattered high ratio areas which, as may be expected, generally cover the areas of high lead + zinc, but they are not everywhere coincident or of the same relative magnitude. The HM/Cu ratio averages higher in the south half of the map, and the major productive veins are in shallow lows, except the south end of the Trade Dollar.

Lead + Zinc (Map 2LZ) This map shows halos of lead + zinc surrounding both the Delamar and the Florida Mountain high arsenic areas. Two prongs extending SSE are probably structurally controlled by fissure zones. Our water supply for diamond drilling was drainage from the high area in the SE corner of the map. This explains contamination of the sludge samples by lead and zinc.

Mercury (Map 2M) There is low mercury in the whole central area from Delamar to Florida Mountain, surrounded by an irregular halo of anomalously high mercury on the west, north and east. Data south of the map area indicate that the halo closes, at least partially, on the south side also.

General. Geology of the area is shown on Map 3, traced from an advance copy of R. R. Asher's geologic map for Idaho Bureau of Mines and Geology Pamphlet 138. The map shows considerable detail in the vicinity of Delamar and Florida Mountain but is rather skimpily generalized in the Cook Mountain area. Comparison with the trend surface maps does not indicate that any of the anomalous areas correlate with a single type of rock. However, some geochemical features are clearly controlled or bounded by faults and there is a suggestion that the 0.0 contour on Map 2C has a tendency to be related to the boundaries between basalt and rhyolite, with plus copper on the basalt side and negative copper on the rhyolite side. It is quite possible that the normal copper content of the basalt is a few ppm higher than the rhyolite but, if so, both are obviously near the mean trend and it will not change the anomalies appreciably. Map 4 is a composite anomaly map outlining positive anomalies of approximately double trend or higher for all five parameters.

Close study of Maps 2A, 2C and 2LZ suggests that the lead + zinc is probably a true halo around the copper high in the NW corner and that the high arsenic centers developed during a later period, pushing

aside the heavy metals and remobilizing them into rude secondary halos around the arsenic centers. This hypothesis is illustrated diagrammatically in Map 5 showing the earlier heavy metal period and Map 6 showing the later remobilization accompanying the development of the arsenic centers.

This seems to support the theory of at least two separate periods of hydrothermal alteration first advanced by Lindgren (1900, p. 164). It also suggests at least two periods of metallization. First came the heavy metal period, with lead and zinc surrounding a copper center, accompanied by predominant silver. This was followed by the arsenic period, accompanied mostly by gold. Several pieces of evidence from the trend surface maps lead to this conclusion.

1. The average gold content of the Delamar mine was about 0.85 oz. per ton and the Trade Dollar - Black Jack ores from Florida Mountain averaged about 0.325 oz. per ton (Piper and Laney, 1926, p. 60). On Map 2A high arsenic is in close proximity to the Delamar veins and generally farther removed from the Florida Mountain veins, suggesting an association between arsenic and gold.

2. The Tip Top vein's "value lay chiefly in its gold content" and "the altered rhyolite that encloses the vein carries from a trace to 0.35 oz. of gold per ton at the surface over a rather wide area" (Piper and Laney, 1926, p.129). It lies in the edge of the anomalously high arsenic west of the Trade Dollar, supporting the association of gold and arsenic.

3. The silver/gold ratio of the total production of the Trade Dollar - Black Jack was 138 (Piper and Laney, 1926, p. 119) while at Delamar it was only 15 (Piper and Laney, 1926, p. 95). On Map 2 LZ the Delamar veins are in a broad low remote from anomalous lead + zinc highs while the Trade Dollar - Black Jack is more closely adjacent to the 0.0 contour and at the southern end actually crosses the +8 contour. Furthermore, examination of a longitudinal stope map of Florida Mountain (Piper and Laney, 1926, Plate XIII) shows that the silver/gold ratio was higher at both ends than in the central part of the orebody. All of this suggests a correlation between lead + zinc and the higher silver mineralization.

4. Even more striking is the association of the Henrietta and Silver Vault veins with the high lead + zinc ridge southwest of Delamar. These were producers of small tonnages from very narrow veins of extremely high grade silver ore, carrying only about 0.25 oz. of gold per 100 ounces of silver (Lindgren, 1900, p. 133).

These four examples seem to support the idea that silver mineralization accompanying the heavy metal dispersion was followed by the

arsenic period, with gold as the dominant precious metal. Still a third stage of hydrothermal activity may have deposited more ore, while dispersing arsenic to form the embayments in the immediate vicinity of the major productive veins. If silver/gold ratios were available for other minor veins of the area, I believe they might follow a similar pattern.

The most startling conclusion to be drawn from a study of these maps is that the major productive veins of both Delamar and Florida Mountain are associated with neither anomalous high nor anomalous low values of any of the five parameters. In other words the major producers are in areas outlined by near-trend or median values of all five parameters. As a further step in empirical interpretation, positive and negative values of each parameter were selected such that when a composite anomaly map (Map 7) was made by crosshatching areas higher than the plus limit and lower than the minus limit, both the Delamar and Black Jack - Trade Dollar veins would lie in essentially blank or unruled areas. By thus literally "ruling out" apparently least favorable areas, the resulting blank spaces, including the prominent one along the east ridge on the Cook Group, should be most likely to contain ore deposits similar to the most productive veins of the early days. The reason for such a non-anomalous association is not clear, but we may speculate that the major producers were those where conditions were such that they received enough from each of the periods of metallization to make them high-grade; the marginal or non-productive veins received mineralizers from only one or another but not from all the stages. Perhaps, in areas which were affected by both periods of hydrothermal activity, the resultant dispersal and remobilization of trace elements smoothed out the anomalies to the level we observe today.

CONCLUSIONS

1. There were probably at least two periods of hydrothermal alteration and metallization in the Silver City region.

2. The major productive veins were those which received enough from both phases to make them high grade; the non-productive veins were mineralized by only one or the other of the two phases.

3. The major productive veins are in non-anomalous, or near-trend areas with respect to each of the five parameters.

4. Such a "non-anomalous" area lies virtually unexplored on the east ridge of the Cook Group.

Malcolm C. Brown

MALCOLM C. BROWN

Kellogg, Idaho
1 August 1967

REFERENCES

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Conner, J. J. and A. T. Miesch, 1964, Investigations of sampling error effects in geochemical prospecting: in USGS Prof. Paper 475-D, pp. 84-88.

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Nordeng, S. C., and others, 1964, Application of trend-surface analysis to the White Pine Copper deposit: Trans. AIME Preprint 64115.

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Whitten, E. H. T., 1959, Composition trends in a Granite: Jour. Geophys. Research, v 64, No. 7. pp. 835-848.

REFERENCE SLIP

OFFICE OF MINERALS EXPLORATION

		DATE	INITIALS
...ef, OME	OFFICIAL COPY O. M. E. RECEIVED SEP 8 1967	9/6/67	
Re: OME-6481 (Gold-Silver)			
2. Sidney Mining Company			
Cook Claims			
3. Owyhee County, Idaho			
Contract 2215			
4.	INITIALS CODE		
D. R. MacLaren			
5. D. R. MacLaren			
FROM: Fld. Officer, Reg. I			

FOR: Check items for action desired

____ Action ____ Reply for signature of

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions X Your information

REMARKS: At first opportunity I will review these and send in my comments but at present am forwarding them now for your information.

INT.-DUP. SEC., WASH., D.C. M56300-62

SUPPLEMENT TO A REPORT ON

TRACE ELEMENTS IN TRENCHES AND DIAMOND DRILL HOLES

Cook Group, Silver City Area

Owyhee County, Idaho

for

SIDNEY MINING COMPANY

Kellogg, Idaho

SUMMARY

Trace metals in soil samples are compared with underlying bedrock from trenches and drill holes. The evidence indicates that copper, lead and zinc in the soil are closely equivalent to the underlying bedrock, and that arsenic and mercury are always greater in bedrock than in the soil. The wider variances observed in the deeper bedrock are possibly due to primary mineralization halos.

INTRODUCTION

While compiling data for statistical analysis of geochemical trend surfaces on the Cook Group, a comparison was made between rock samples from the OME trenches and drill holes and samples of the soils covering the areas. For the trend surface analysis the whole area was divided into sample localities consisting of square "cells" measuring 500 feet on a side and the mean value of the samples in each cell was taken as the representative value for that locality. This is a standard technique for reducing the effect of sampling error. The OME-6 area lies on the common corner of four such cells so the mean of the four cells, an area 1000' x 1000', was taken as representative of the overlying soil. The OME-4 area is covered by two adjacent cells (500' x 1000') lying east-west and the Trench R area by two adjacent cells lying north-south. Plate 26 is a copy of the worksheet showing the number of samples in each category, their means and the derivation of the ratios for each area. The means and ratios are summarized in the following tables, where S is the mean of the soils for each area, Rt is the mean of rock samples from the trench and Rdh is the mean of the rock samples from the drill holes in the area.

Comparison of Mean Values

	Heavy Metals	Copper	Arsenic	Lead + Zinc	HM/Cu Ratio	Mercury
OME-6 Area						
S	7.17	5.33	6.50	2.28	1.51	65.8
Rt	9.50	7.7	24.30	3.00	1.97	224.8
Rdh	115.5	53.5	4.61	61.95	4.87	83.5
OME-4 Area						
S	14.00	6.18	0.27	8.00	2.45	60.3
Rt	14.55	4.46	0.46	8.85	2.61	351.0
Rdh	69.52	57.19	1.85	23.43	9.68	735.0
Trench R Area						
S	25.2	3.83	0.00	22.00	7.30	84.7
Rt	20.5	2.65	2.40	18.35	9.41	1405.1
Rdh	74.31	14.96	0.42	59.35	6.08	660.3

Inspection shows that there is relatively small within-area variance between the soils and the near-surface bedrock of the trenches excepting arsenic and mercury, but the deeper bedrock from the drill holes is widely variant and there is considerable between-area variance. This is seen more clearly in the following tables of ratios.

Comparison of Ratios

OME-6 Area						
Rt/S	1.32	1.44	3.74	1.32	1.30	3.41
Rdh/S	16.11	10.04	0.71	27.17	3.22	1.27
Rdh/Rt	12.16	6.95	0.19	20.65	2.60	0.37
OME-4 Area						
Rt/S	1.04	0.72	1.70	1.11	1.07	5.82
Rdh/S	4.97	9.25	6.85	2.93	3.95	12.20
Rdh/Rt	4.78	12.82	4.02	2.65	3.71	2.10
Trench R Area						
Rt/S	0.81	0.69	(Inf. ?)	0.83	1.29	16.59
Rdh/S	2.95	3.91	(Inf. ?)	2.70	0.83	7.80
Rdh/Rt	3.62	5.65	0.18	3.23	0.65	0.47

Means of Ratios from all three areas

Rt/S	1.06	0.95	>2.72	1.09	1.22	8.61
Rdh/S	8.01	7.73	>3.78	10.93	2.67	7.09
Rdh/Rt	6.85	8.47	1.46	8.84	2.32	0.98

The last table shows the overall Rt/S ratios are very near unity with respect to lead, zinc, and copper and the soil samples may generally be accepted as representative of the bedrock beneath. It appears that both arsenic and mercury may be expected to be appreciably lower in the soils than in the underlying bedrock and there is a suggestion that they may often be higher in near surface bedrock than at greater depths. Probably this is partly because both elements become trapped in the clay minerals forming at the decaying bedrock surface. On the other hand the heavy metals seem to be consistently

higher at greater depths, at least in our data. We have no way of estimating what proportion of these observed variances is due to the primary halos and how much to the supergene changes described by Shepard (1966).

CONCLUSIONS

1. Copper, lead and zinc content of the soil samples is fairly representative of the underlying bedrock.

2. Arsenic and mercury in the soils may be regarded as a minimum. It may be several times higher in the underlying bedrock but the variance may not be the same at two different sample localities.

3. The wide variances in the deeper bedrock are possibly due to primary mineralization halos similar to those at Tintic described by Shepard (1966).

Malcolm C. Brown
MALCOLM C. BROWN

Kellogg, Idaho
31 July 1967

RECEIVED
AUG 29 1967
SEATTLE, WASH.

Sidney [illegible] S. — [illegible] 6481 — 6/21/[illegible]

Underground Conduit		Elbow	[illegible]
Building — 109 ln @ 30 m		— 3,270.00	1,020.00
Building 17 ln @ 14.00		—	42[illegible]
Plug [illegible] Clamps			
19 [illegible] @ 8.00 ea.		152.00	152.00
Quad [illegible] 11	450'	3,282.50	7.50
[illegible]	3,000	2,250.00	319.46
Fixed Unit Price			
Sample [illegible] 186 @ 0.25 m		46.50	6.50
[illegible] 930	30 m	279.00	39.00
		$9,280.00	1,969.16
Deductions			
	152.00	Unit [illegible]	
	6.50	OP Time	18.00
	39.00	8 L [illegible]	39.19
	$1,197.50		51.41
Discount	− 51.41	8 L [illegible]	39.30
	146.09	6 @ 30	180
Unknown add.	180.00		
	$326.09		
Restore	$424.30 [illegible]		
	$750.61		

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MME Form 7
(2/63)

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Memorandum

To: Chief, Branch of Budget and Finance

From: Chief, Office of Minerals Exploration

Subject: OME-6481 (Gold-Silver)
Sidney Mining Company
Cook Claims
Owyhee County, Idaho
Contract 2215

Enclosed is a copy of the Operator's request, dated July 13, 1967, for payment of the unpaid balance($469.13) of the Government's contribution to exploration costs, as indicated in the Report of Review issued in June 1967 on the subject contract. It appears to be in order to make payment accordingly.

The amount of $200.00 being withheld from settlement pending resumption of the exploration work should continue to be withheld.

FRANK E. JOHNSON (gla)

Frank E. Johnson

Enclosure

cc: Director's Reading File
Division File
Econ. Geol. File
OME Docket
OME Reading File
OME Region I

FEJohnson/gla 7-31-67

23263

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
July 25, 1967

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Mr. M. C. Brown, President
Sidney Mining Company
First Security Building
Kellogg, Idaho 83837

Re: OME-6481 (Gold-Silver)
Cook Claims
Owyhee County, Idaho
Contract 2212

Dear Mr. Brown:

Enclosed are the original and three copies of a proposed Amendment No. 5 (one page) to the subject contract, signed for the Government by the Chief, Office of Minerals Exploration.

If the proposed amendment is satisfactory to you, please sign all four copies, retain the Operator's copy, and return the other copies to this office.

If the amendment is not satisfactory, please return all copies unsigned to this office with a statement of your proposed changes for consideration.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

Enclosures

MLSmelser/mls
cc: OME

Director's Reading File

MMB FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO: Chief, OME

	DATE	INITIALS
1.	7/14/67	
2.		
3.		
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5.		

Re: OME-6481 (Gold-Silver)
Sidney Mining Company
Cook Claims
Owyhee County, Idaho
Contract 2212

D. R. MacLaren

FROM: Fld. Officer, Reg. I

OFFICIAL COPY
O. M. E.
RECEIVED
JUL 24 1967
INITIALS CODE

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: Attached is in reply to our letter of June 29, 1967 to above-cited Operator.

, WASH., D.C. M56300-62

M. C. BROWN, President
[illegible] BARNES, Vice President
BEN SMITH, Secretary-Treasurer

Sidney Mining Company

[illegible]

[illegible]

[illegible] d-Silver)
[illegible] Lake
[illegible] County, Idaho
[illegible]

[illegible]

we hereby request payment of [illegible] balance indicated in the report [illegible] review iss[illegible] on the subject contract.

[illegible] rul[illegible],

[illegible]

MME Form 7
(2/63)

OFFICIAL FILE COPY

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7/20	Bailey	

AIRMAIL

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6481 (Gold-Silver)
Sidney Mining Company
Cook Claims
Owyhee County, Idaho
Contract 2215

In reference to your memorandum of July 5, 1967, and enclosure, the original and three copies of a proposed Amendment No. 5 (one page) to the subject contract, signed for the Government, are enclosed. Also forwarded is an extra copy for field use.

If the proposed amendment is satisfactory to you and the Operator, all four copies should be signed by an authorized representative of the Operator. Thereafter, please distribute the copies in the usual manner.

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

FRANK E. JOHNSON

Frank E. Johnson

Enclosures

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
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EXPLORATION CONTRACT
SIDNEY MINING COMPANY
OME-6481

Amendment No. 5

It is agreed this _____ day of _____ 1967, between the United States of America acting through the Department of the Interior, U. S. Geological Survey, hereinafter referred to as the "Government" and Sidney Mining Company, hereinafter referred to as the "Operator" that Exploration Contract No. 2215 (OME-6481), dated February 28, 1966, as amended, is further amended effective June 30, 1967, as follows:

In Amendment No. 4 ~~to the Contract~~

1. Item 1(A) is revised to read as follows:

   Work under the contract shall be suspended during the period beginning December 17, 1966, and ending not later than October 1, 1967.

2. Item 2 is revised to read as follows:

   The time fixed for completion of the work is extended from eighteen (18) to twenty-two (22) months or to December 28, 1967.

This amendment shall not be construed to increase the estimated total cost of the contract, the aggregate amount which the Government may be required to contribute nor the fixed unit cost of any item of work.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
Chief, Office of Minerals Exploration
U. S. Geological Survey

SIDNEY MINING COMPANY

By _____

Title _____

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
July 5, 1967

OFFICIAL COPY
O. M. E.
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JUL 7 1967
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Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: OME-6481 (Gold-Silver)
Sidney Mining Company
Cook Claims
Owyhee County, Idaho
Contract 2212

Enclosed are two copies of a self-explanatory letter dated June 30, 1967, from the subject Operator.

A copy of the Trace Elements report referred to in the first paragraph was forwarded to you June 28, 1967. The "additional report" will be forwarded when it is received.

In view of the Report of Review issued June 1967, it appears that an estimate of the balance of funds given in my letter of January 24, 1967, to the Operator needs revision. There remain available in Category(1) $17,345.52 ($10,840.95 Government Participation) and under Fixed Unit Costs $371.96 ($232.47 Government Participation). As I now understand it, the costs of drill mobilization, supervision, and F.I.C.A., etc., will be for the Operator's account, the amount remaining under Category(1) can be distributed over the remaining items under drilling as long as the average of the respective unit prices are not exceeded, and the amount remaining under Fixed Unit Costs may be distributed over those items as long as the respective rates are not exceeded.

The reasons for recommending Amendment No. 4, given in our memorandum of January 4, 1967, still apply. It is therefore recommended that the Operator's request to extend the recess until on or before September 1, 1967, be approved.

D R MacLaren
D. R. MacLaren

Enclosures

M. C. BROWN, President
E. K. BARNES, Vice President
BEN SMICK, Secretary-Treasurer

Sidney Mining Company

FIRST SECURITY BUILDING
KELLOGG, IDAHO
83837

30 June 1967

Mr. D. R. MacLaren, Field Officer
Office of Minerals Exploration
South 157 Howard Street
Spokane, Washington 99204

Re: OME-6481 (Gold-Silver)
Cook Claims
Owyhee County, Idaho
Contract 2212

Dear Mr. MacLaren:

When I sent you the Trace Elements report on 19 June 1967, I assumed that it would qualify as resumption of work on the Cook Project before July 1, 1967, as provided in Amendment No. 4. I, myself, can not reach a decision as to the wisdom of additional drilling until I can base it on that study and the additional report which is as yet uncompleted. It seems to me that it will be of even more value to you, as it does not cost the OME anything.

However, it has since occurred to me that it might not be so interpreted as resumption of work. If there is any such possibility, I request an amendment specifying that physical work on the property need not be resumed before September 1, 1967.

Yours very truly,

M. C. Brown
President

MCB:hs

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
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JUL 5 1967

Memorandum

To: Chief, Branch of Budget and Finance

From: Chief, Office of Minerals Exploration

Subject: OME-6481 (Gold-Silver)
Sidney Mining Company
Cook Claims
Owyhee County, Idaho
Contract 2215

Enclosed is a copy of a letter to the Operator dated June 29, 1967, from the Field Officer, Region I, transmitting a copy of the Report of Review issued June 1967 on the subject contract. Also enclosed is a copy of said report.

It appears to be in order to pay upon request the unpaid balance in the amount of $469.13 indicated in the Report of Review as being due the Operator. The sum of $200.00 being withheld from settlement pending resumption of the exploration work should be continued to be withheld until the work is resumed, or if not resumed, an acceptable Final Report is received from the Operator.

FRANK E. JOHNSON

Frank E. Johnson

Enclosures

cc: Director's reading file
Division file
Economic Geology file
OME file
OME reading file
OME Region I
130

FEJohnson/bih 7/5/67

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OMe(2)

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
June 29, 1967

ORIGINAL COPY

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file

Mr. M. C. Brown, President
Sidney Mining Company
First Security Building
Kellogg, Idaho 83837

Re: OME-6481 (Gold-Silver)
Cook Claims
Owyhee County, Idaho
Contract 2212

1 cy for Budget & Finance

Dear Mr. Brown:

There is enclosed one copy of a Report of Review issued in June 1967 on the subject contract.

Payment of the "unpaid balance" indicated in the Report of Review will be made upon written request.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

Enclosure
MLSmelser/mls

cc: OME(2)
Voucher File

Director's Reading File

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
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AIRMAIL

Memorandum

JUN 21 1967

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6481 (Gold-Silver)
Sidney Mining Company
Cook Claims
Owyhee County, Idaho
Contract 2215

Enclosed are two copies of a Report of Review issued in June 1967 on the subject contract.

Please note the exceptions taken by the auditor in his report. If you concur in the facts as stated in the report, two copies of your letter transmitting a copy of the report to the Operator should be furnished this office. If you do not concur, please return both copies of the report to this office, giving your reasons for nonconcurrence.

FRANK E. JOHNSON

Frank E. Johnson

Enclosures

cc: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File
130

FEJohnson/gla 6-21-67

23263

M. C. BROWN, President
[illegible] BARNES, Vice President
[illegible] BENNICK, Secretary-[illegible]

Sidney Mining Company

FIRST [illegible]
KELLOGG, IDAHO
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Mr. [illegible], Field Officer
[illegible] Exploration
[illegible] Street
[illegible] Washington 99204

[illegible] (Gold-Silver)
[illegible]
[illegible] County, Idaho
[illegible]

Dear [illegible]

Enclosed are two copies of a [illegible] ELEMENTS IN THE [illegible] DIAMOND DRILL [illegible] the Cook Group, Owyhee County, Idaho.

I am preparing another report covering the whole Cook Group which I will send to you as soon as it is finished.

It is to be noted that these reports will aid us in evaluating our exploration program.

Sincerely,

M. [illegible]
President

[illegible]

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JUN 20 1967
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REPORT ON

TRACE ELEMENTS IN TRENCHES AND DIAMOND DRILL HOLES

Cook Group, Silver City Area

Owyhee County, Idaho

for

SIDNEY MINING COMPANY

Kellogg, Idaho

SUMMARY

Samples of bedrock from bulldozer trenches and diamond drill holes were analyzed for trace amounts of several metals. The data, when contoured, appear as portions of halos or envelopes which could be valuable exploration guideposts when diagnostic criteria applicable to the district have been determined.

INTRODUCTION

During the latter half of 1966, under a contract with the Office of Minerals Exploration, Sidney exposed bedrock in four bulldozer trenches and drilled 8 diamond drill holes in three widely separated areas on its Cook Group of claims. The work did not develop any ore but did disclose numerous shear or breccia zones, mineralized with abundant pyrite, in extensive zones of moderate to intense hydrothermal alteration. In an effort to develop possible guideposts to point out the direction that exploration should proceed to find ore, rock samples from the trenches and drill holes were analyzed for trace amounts of several metals.

PROCEDURE

Samples of bedrock were chipped along the center line of each of the trenches. Sample lengths were 10 feet in all but Trench OME 5, where it was 50 feet. Maximum sample lengths across obvious veins was 4 feet, or the width of the vein if it was less than 4 feet. Drill sludge samples were combined to make sample lengths of approximtely 10 feet. The pulps from all core samples split for fire assay were also analyzed. Samples were air dried and pulverized to pass 80-mesh.

Mercury analyses were made by the Cordero lab at Winnemucca, Nevada, using their spectrophotometric method. All other analyses were made in the Sidney geochemical lab. Arsenic was determined by the method of Almond (Ward, Lakin and others, 1963, p. 40), using a 0.3 g. sample

to estimate a minimum of 3 ppm. Readily extractable heavy metals were estimated using the ammonium citrate-dithizone procedure (Crosby & Cavin, 1961). Readily extractable copper was determined by the biquinoline method in a cold HCl extract (Ward, Lakin & others, 1963, p. 25).

From the latter determinations two additional parameters were obtained. Copper was subtracted from heavy metals to give a measure of lead plus zinc, and copper was divided into heavy metals to give a HM/Cu ratio. This was done after it became apparent that there was a wide variation in the ratio, and a search of the literature disclosed that Lindgren (1899, p. 160) expressed the view that the gold in Florida Mountain veins might be carried by chalcopyrite, and that the bullion shipments contained about 20% copper (1899, p. 142).

The drill hole samples presented two difficulties in lab procedure:

1. Most of them contained so much pyrite and other sulfides that required 3 inches of tightly packed lead acetate-glass wool to insure filtering the H_2S from a single sample. Tests indicated that such a filter also absorbed from 2 to 5 micrograms of arsenic, so the arsenics are all low. It is probably a relatively insignificant error in the higher arsenics but perhaps a good many of the zeros should be 5 ppm or more.

2. Comparison of a few sludge and core samples from the same footage indicates that the sludge samples are contaminated with heavy metals. The bit manufacturer stated that copper and nickel are the only metals present in the bit matrix in amounts of 0.5% or more. The copper in equivalent sludge and core samples checks reasonably closely so the contamination must be lead or zinc and must originate elsewhere in the drilling circuit, probably the water supply. This condition was not anticipated and the only core samples brought home were those for fire assay, so those are the only samples which were run for heavy metals and copper. In DDH 1, 2 and 3 these all came from relatively short segments near the bottom, but later holes had core samples scattered thru a greater part of their length.

DATA

The data from 800 analyses appeared to have pathfinder potential but the problem is interpretation. If equivalent data were available from long crosscuts or drill holes thru some of the old major orebodies significant criteria could probably be developed empirically. No such data is available. As the nearest approach we obtained from Continental Quicksilver Corporation and made the same geochemical analyses of a suite of sludge samples from their hole #3B and some assay pulps from this hole and #5. The holes were intended to intersect the downward

extensions of formerly productive veins at Delamar. Hole #3B presumably penetrated the "77" vein, the largest vein in the old Delamar mine. The vein identified as the "77" did not contain ore where it was cut.

These data are displayed graphically in the series of graphs and charts, attached hereto, numbered Plate 19 thru Plate 24.

Silver and Gold. Plate 19-1 is a plan map showing the relations between DDH 1, 2, 3 and Trench OME 6 near the north end of the east ridge on the Cook Group. Plate 19-2 shows DDH 5, 7, 8 and Trench OME 4, located in the bottom of a gulch about 3600 feet S. 25° E. from OME 6. Plate 19-3 shows DDH 9, 11 and Trench R located on the west ridge about 3200 feet S. 65° W. from OME 4. On each plate fire assay sample locations and gold-silver content are recorded. Gold and silver are present in only trace amounts but the values shown are quite accurate because the assayer used samples of 2 assay tons and actually weighed each bead.

Arsenic and Mercury. Profiles of mercury and arsenic content and silver from fire assays are plotted to scale on vertical sections in the plane of each drill hole and the trenches projected to the nearest drill hole. Plate 20-1 is in the OME 6 area, Plate 20-2 in the OME 4 area and Plates 20-3a and 20-3b in the Trench R area. Plate 20-4 shows the data for Trench OME 5 located about halfway between OME 4 and OME 6. No holes were drilled there. Plate 20-5 shows profiles of Delamar holes #3B and #5.

Mercury and arsenic show some quick changes and large variances. In general they roughly parallel each other tending to be low in vein zones, but sometimes they oppose each other.

Delamar Hole #3B shows generally high Hg and low As between the Henrietta and Delamar faults and generally low Hg and higher As below the Delamar fault. Perhaps because it (like ours) did not cut an ore shoot, there does not seem to be any consistent correlation between the mercury and arsenic and the traces of silver. The three lowest assays come from the 77(?) vein, with very low mercury and arsenic. The third-highest assay (897') has high Hg and As; the second-highest assay is from the middle of a fault, with high Hg and As. The highest assay is from the edge of the same fault zone, with the lowest Hg and As.

Heavy Metals. Plates 21 display profiles of Heavy Metals, Copper and HM/Cu Ratio. The other parameter, Pb + Zn, was not plotted because it often interfered and obscured other curves. It can be estimated visually by subtracting the Cu curve from the HM curve.

Here also there are large variations. DDH 1, 2, 3, 5 and 7 have both very high and very low heavy metals. Most of the extremely high HM is almost all copper. DDH 9 (Plate 21-3a) and to a lesser extent

DDH 11 (Plate 21-3b) show fairly uniformly low copper, with some of the highest HM being almost all lead and zinc. Plate 21-5 shows the lowest HM/Cu at the Henrietta fault and the highest HM/Cu at the Delamar fault in Hole #5. In Hole #3B both the highest and lowest HM/Cu occur in the 77 vein, which lies underneath the Delamar fault.

TRACE ELEMENT CONTOUR MAPS

In an effort to display the data in a more usable manner, contour maps were constructed for each of the six parameters on horizontal projections of the drill holes at each of the three drill areas. Some of the drill hole profiles were smoothed out slightly by ignoring sharp spikes from narrow samples to facilitate profiling. Silver qualifies as a "trace" element in these data and an attempt was made to contour it also but the variations were too small and erratic. All of the contour maps look as if they contain meaningful information and could be guide-posts, if we only knew which way they are pointing. Many of them suggest portions of halos or envelopes, which deserve some discussion.

HALOS

Since early 1965 I have been convinced that the major veins of the Silver City area are surrounded by halos of higher than normal mercury, arsenic and possibly heavy metals, with lower values both inside and outside of the halo. This belief has been strengthened by a recent paper on Bear Creek's geochemical studies at Tintic (Shepard, W. M., 1966), and by some recent work by a mining company in the Coeur d'Alene district. In the latter study, mercury determinations were made on close-spaced samples from mine workings on several levels above, in and underneath one of the major worked-out orebodies of the district. The results suggest a picture similar to the idealized concept sketched on Plate 25, where the halo broadens around the center of mineralization both laterally and with depth. The "tent" shape (broadening downward) is just the reverse of the V-shape (broadening upward) postulated by earlier workers (Williston, S. H., 1964) but is entirely logical if one assumes that the underlying conduit was even hotter than the zone where ore was deposited. Plate 25 also suggests that there will be considerable variation in the size and shape of the halo observed at the earth's surface, depending upon the depth of the orebody relative to the surface developed by the accident of erosion.

The much more exhaustive recent studies by Bear Creek at East Tintic (Shepard, W. M., 1966) indicate, uprake from known orebodies, a center of high serecite, pyrite, zinc and lead, with depleted copper, surrounded by zones of decreasing serecite, zinc, lead and pyrite, with increasing kaolinite, mercury and arsenic for 200 to 500 feet. Pyrite is still present in decreasing amounts far beyond this distance, to the contact with unaltered rock. This pattern applies to the primary halo in rock unaffected by supergene alteration. Supergene processes leave

the iron and sulfur in much the same zones but appear to reverse some of the patterns, tending to reconcentrate mercury and arsenic toward the central zone and dispersing zinc and lead to a surrounding halo, with copper apparently being unpredictable.

Application to Cook Data. As unaltered pyrite was present in all of the drill holes except DDH 9 and the upper 250 feet of DDH 11, the contours on Plates 22 and 23 may indicate primary halos; those on Plates 24 may be supergene. However, in a silver-gold district, we do not know if they can be interpreted by using criteria from a lead-zinc district. Also we have no real data on the feldspathic and sericitic alteration which I believe is present in the area. Megascopically I can not, with any confidence, distinguish sericite from kaolinite, and a piece of core where I logged secondary white feldspar was identified by the Idaho Bureau of Mines as a diorite dike. The dike I find difficult to accept, as I did not observe anything like a wall; there was just a gradual change from normal basalt. Nevertheless, the following observations were made in an attempt to apply the Tintic criteria to Cook data.

Trench OME 6 Area. These maps are contoured on horizontal projections of DDH 1, 2 and 3. Arsenic (Plate 22-A) and mercury (Plate 22-M) show a low between two highs, broadening southward. Heavy metals (Plate 22-HM) and copper (Plate 22-C) show a high between two lows, apparently increasing and broadening southward. Conversely, lead + zinc (Plate 22-LZ) shows a low broadening southward, and the HM/Cu ratio decreases from 10 at the north to 2 at the south.

Both mercury and arsenic suggest the northern tip of halos broadening southward toward an orebody. The heavy metal analyses were restricted to a few core samples from narrow veins near the bottom of the holes, so their significance is probably limited. Heavy metals increase southward but the increase is actually in copper, with lead and zinc diminishing and the HM/Cu ratio decreasing. However, if indeed precious metals are associated with chalcopyrite, this might also point southward toward ore.

Trench OME 4 Area. DDH 5, 7 and 8 show an arsenic low between two highs in the south half, with the westerly ridge apparently increasing and broadening toward the northwest, but the easterly ridge is fading out to the northeast. Mercury shows an extremely high ridge (over 8,000 ppb) at the south end and a broadening low to the north. Heavy metals (Plate 23-HM) and copper (Plate 23-C) have a high peak in the center of the area with a narrow ridge extending to the north and a low to the southeast. The HM/Cu ratio (Plate 23-HMC) slopes from 30 on the west to 2 on the east. Lead + zinc (Plate 23-LZ) has a narrow high ridge on the west and on the east are two en echelon ridges trending northeast.

The arsenic and mercury contours suggest the southern tip of a halo. Both heavy metals and copper are highest in the center, and the north-south trend is not clear, but the eastward decline in the HM/Cu ratio suggests that a cross-trend may be involved here.

Trench R Area. DDH 9 and 11 have very low arsenic (Plate 24-A) in northerly trending ridges and valleys. Mercury (Plate 24-M) shows a narrow high ridge trending a little west of north thru the center, with broad lower areas on each side. There is no real low mercury but it is definitely lower at the north than at the south end. Heavy metals (Plate 24-HM), copper (Plate 24-C) and lead + zinc (Plate 24-LZ) show zigzagging contours of low relief, with heavy metals and lead + zinc highest on the northwest, where the HM/Cu ratio (Plate 24-HMC) is 10, and copper higher on the southeast, where the HM/Cu ratio is 2.

These holes, mostly in the oxidized zone, show rather indeterminate trends, like the large ferruginous stockwork which they penetrate. Arsenic is much lower than in the other two areas and shows no clear trend. Mercury is definitely higher on the southeast than the northwest but it is also increasing at the northeast and southwest edges, suggesting that data from a broader area might change the picture.

CONCLUSIONS

1. Geochemical study of bedrock samples obtained during trenching and drilling is not only feasible but could be a very valuable exploration tool when the local criteria have been determined.

2. Attempts to evaluate the Cook data by criteria from Tintic have produced no clear guideposts, but suggest some interesting possibilities which should be considered in future exploration.

Malcolm C. Brown
MALCOLM C. BROWN

Kellogg, Idaho
18 June 1967

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Lindgren, W., 1899, The gold and silver veins of De Lamar, etc.: USGS Twentieth Ann. Rept., Part 3, pp 65-256.

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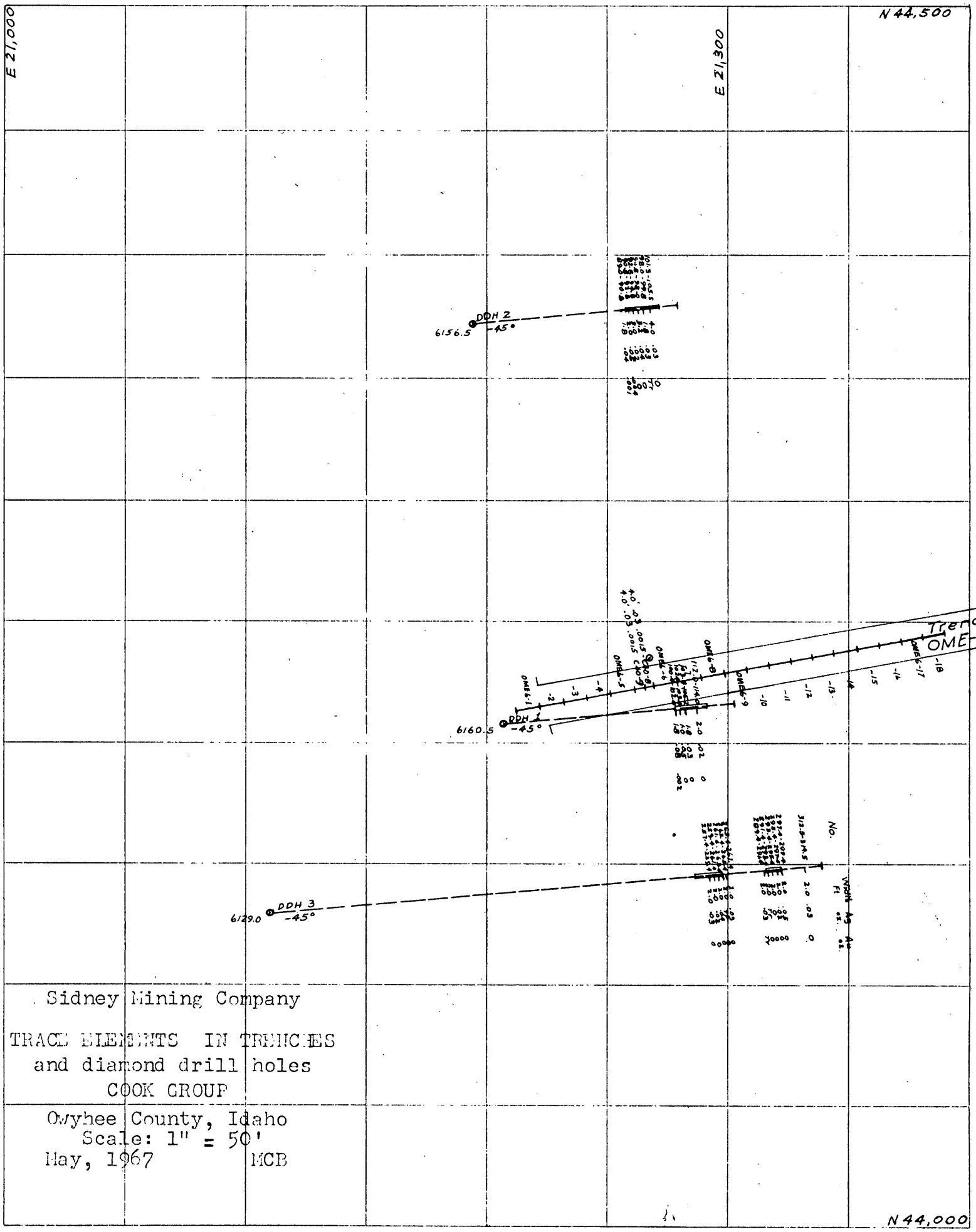


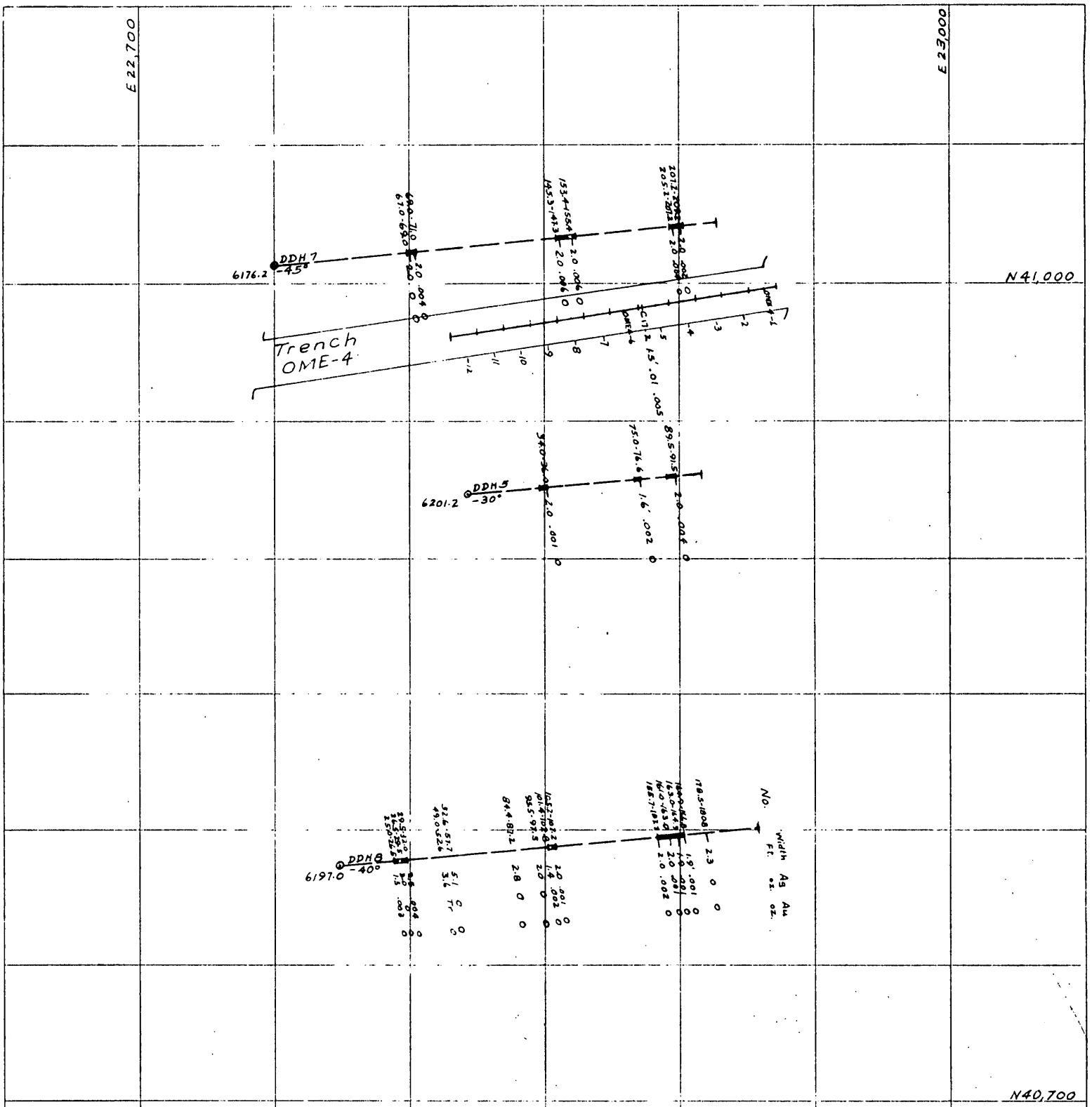
Sidney Mining Company

TRACE ELEMENTS IN TRENCHES
and diamond drill holes
COOK GROUP

Owyhee County, Idaho
Scale: 1" = 50'
May, 1967 MCB

Plate 19-1

"ALBANENE" NO. 195M K&E CO., N.Y.
REG. U.S. PAT. OFF



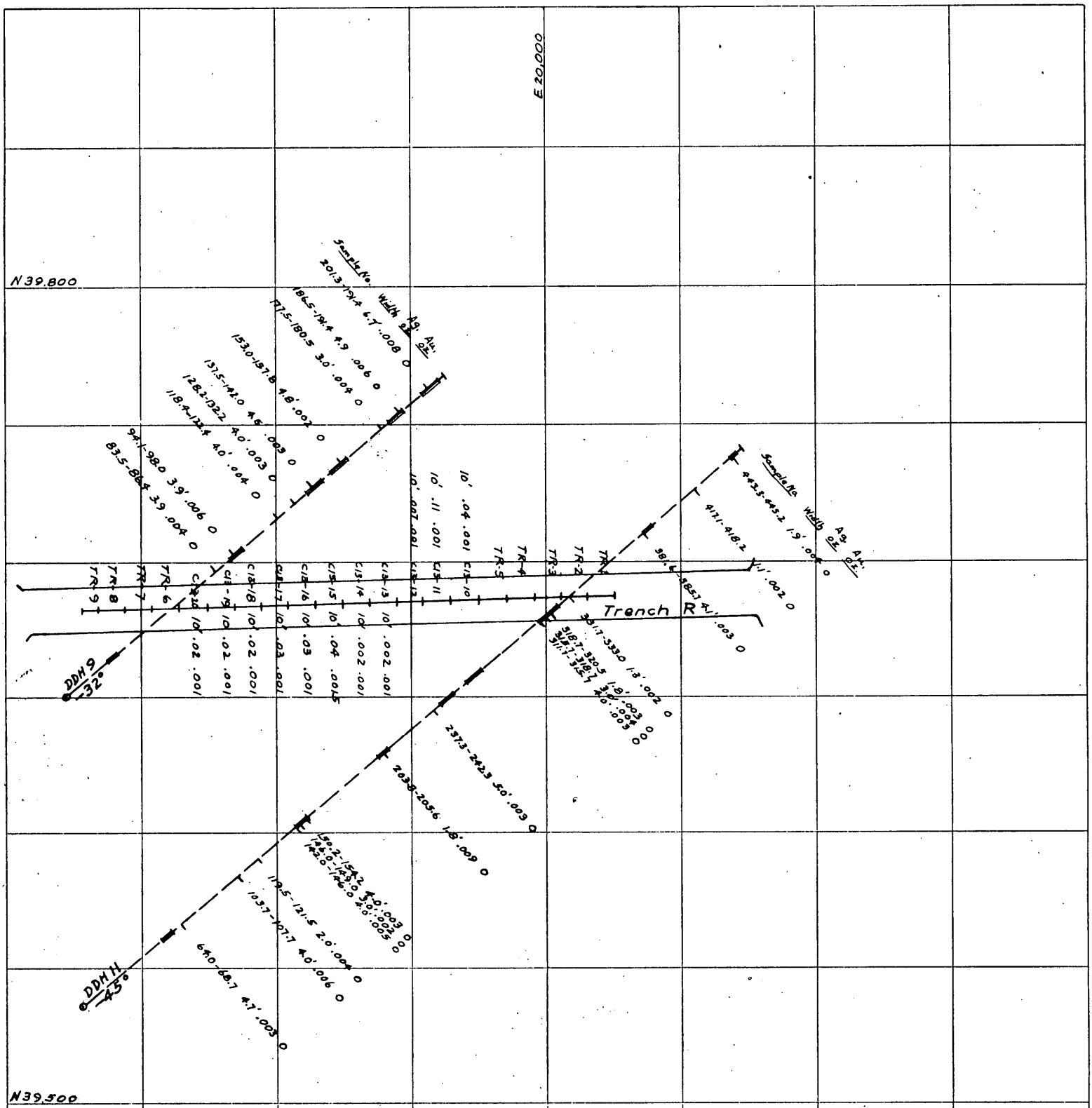
Sidney Mining Company

TRACE ELEMENTS IN TRENCHES
AND DIAMOND DRILL HOLES
COOK GROUP

Owyhee County, Idaho
Scale: 1" = 50'
May 1967 MCB

Plate 19-2

"ALBANENE" NO. 166M K&E CO., N.Y.
REG. U.S. PAT. OFF



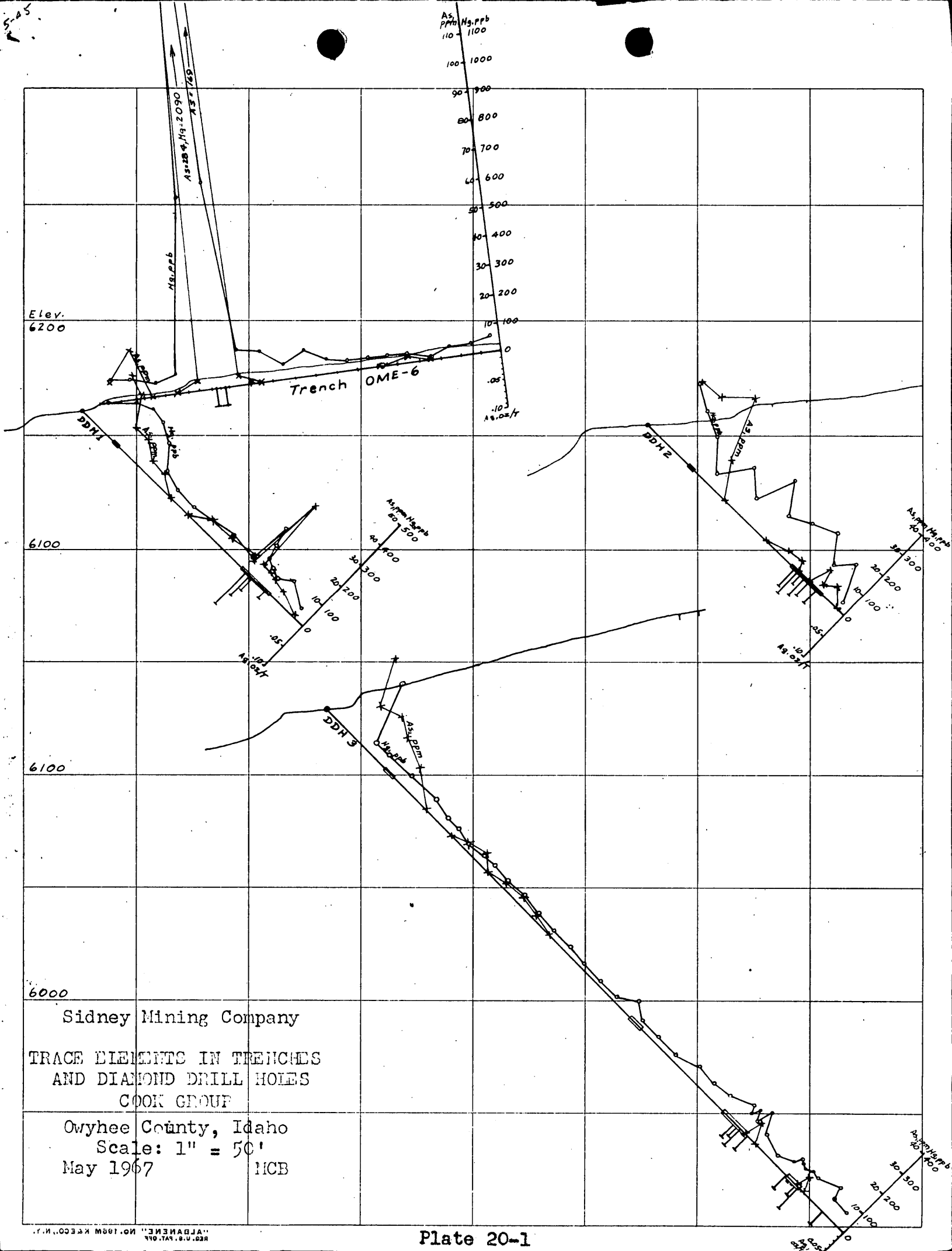
Sidney Mining Company

TRACE ELEMENTS IN TRENCHES
AND DIAMOND DRILL HOLES
COOK GROUP

Owyhee County, Idaho
Scale: 1" = 50'
June 1967 MCB

"ALBANENE" No. 1884 KAECO, N.Y.
REG. U.S. PAT. OFF.

Plate 19-3

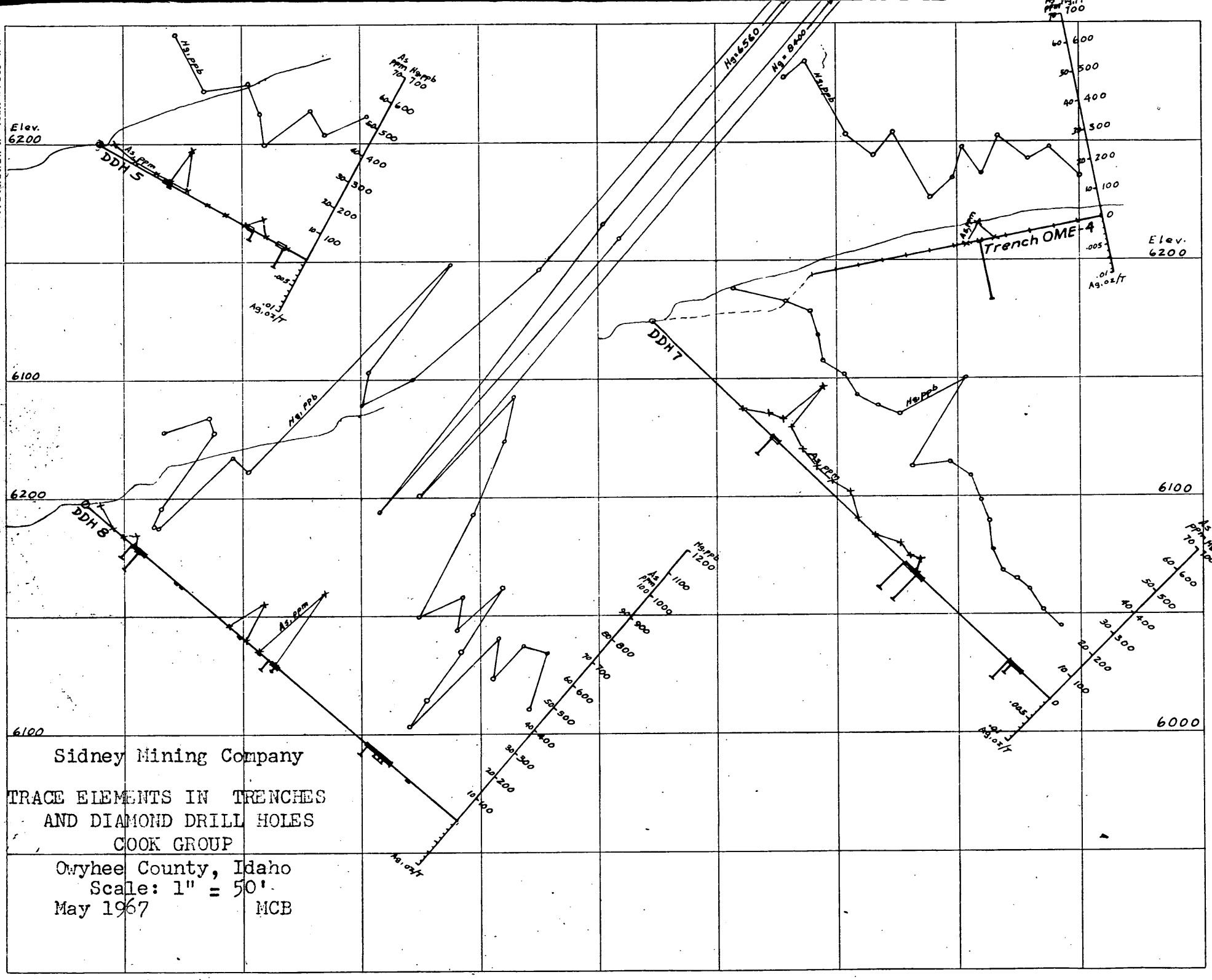


Sidney Mining Company

TRACE ELEMENTS IN TRENCHES
AND DIAMOND DRILL HOLES
COOK GROUP

Owyhee County, Idaho
Scale: 1" = 50'
May 1967 HCB

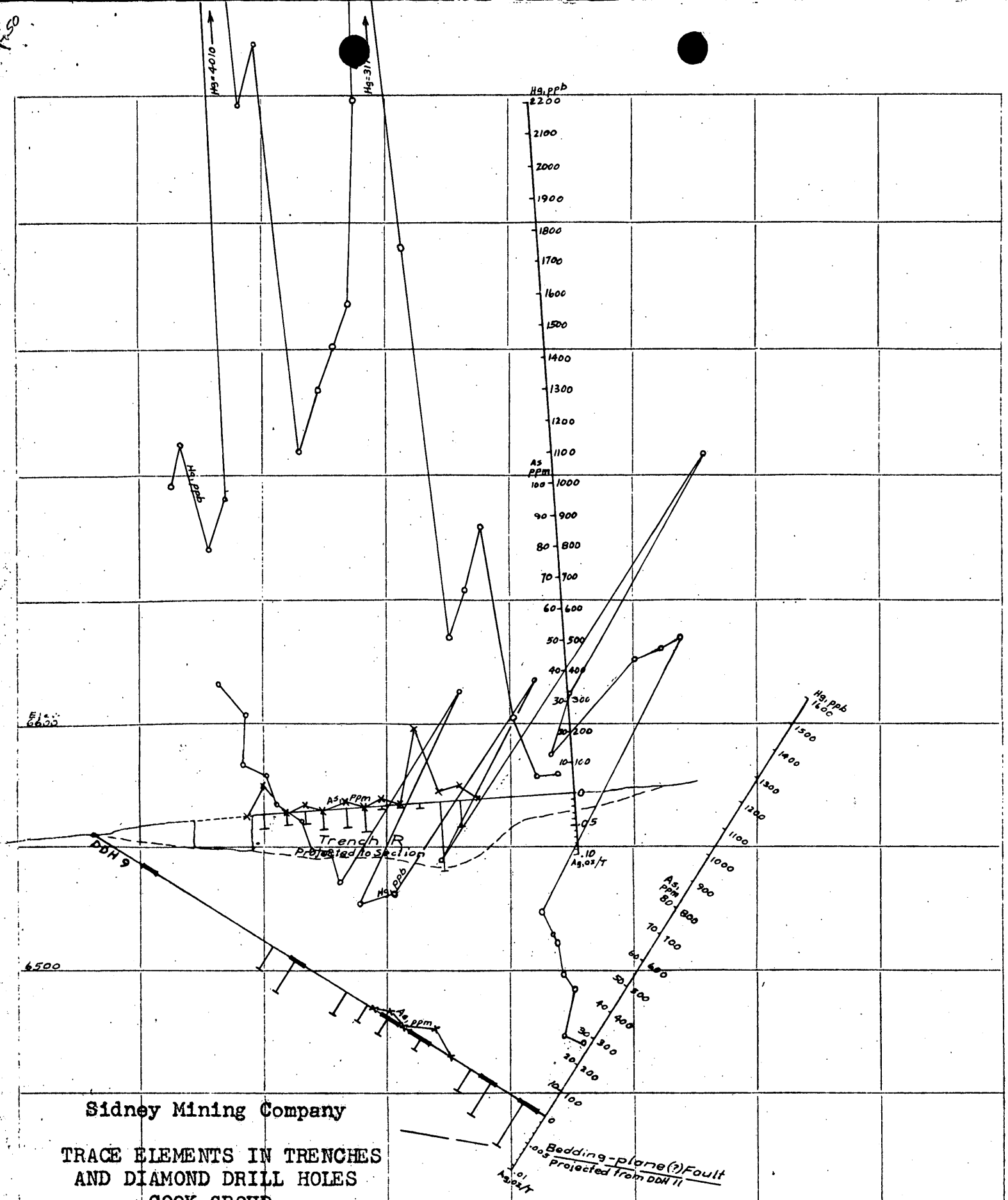
Plate 20-1



Sidney Mining Company

TRACE ELEMENTS IN TRENCHES
AND DIAMOND DRILL HOLES
COOK GROUP

Owyhee County, Idaho
Scale: 1" = 50'
May 1967 MCB

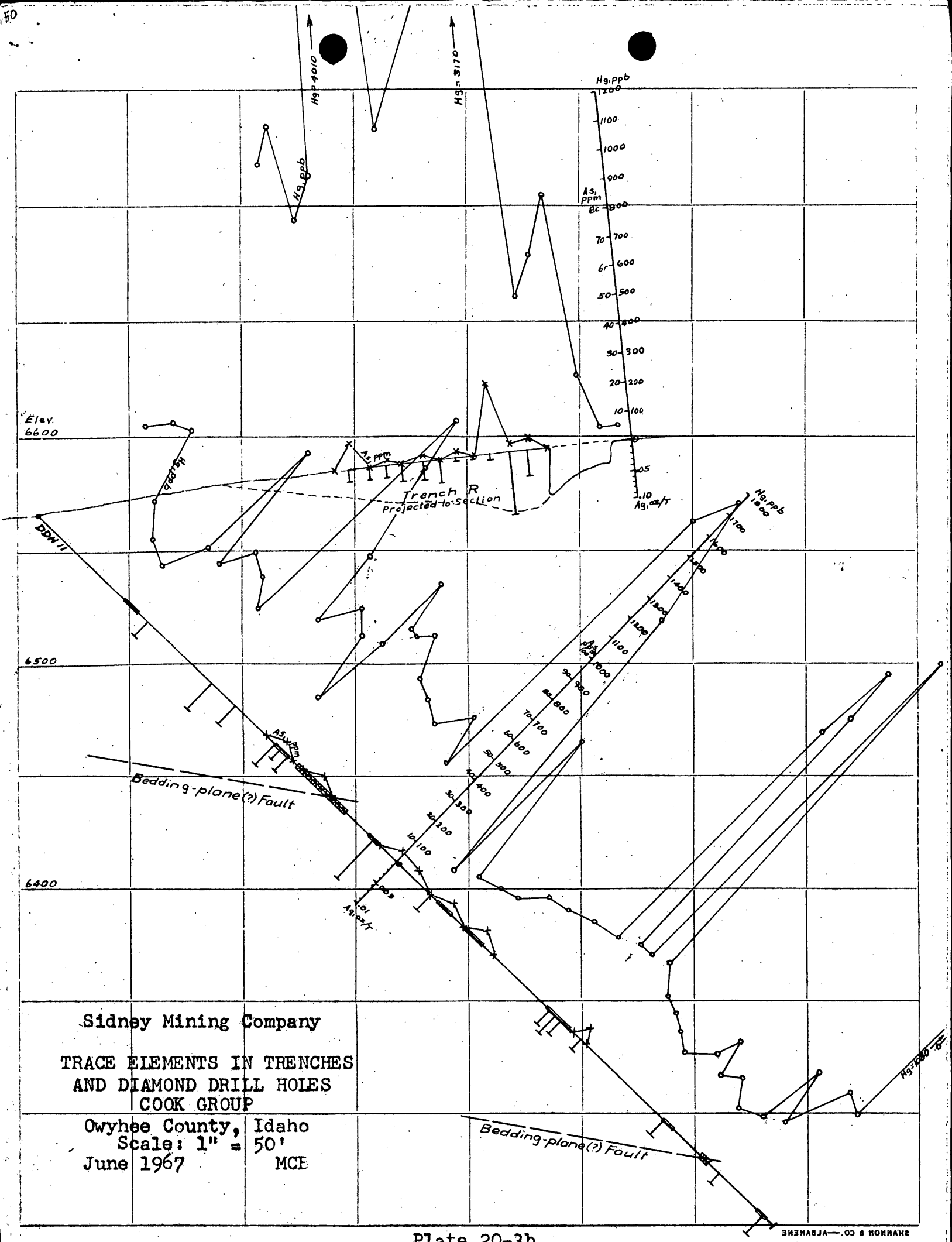


Sidney Mining Company

TRACE ELEMENTS IN TRENCHES
AND DIAMOND DRILL HOLES
COOK GROUP

Owyhee County, Idaho
Scale: 1" = 50'
June 1967 MCB

Plate 20-3a



Sidney Mining Company

TRACE ELEMENTS IN TRENCHES
AND DIAMOND DRILL HOLES
COOK GROUP

Owyhee County, Idaho
Scale: 1" = 50'
June 1967 MCE

Plate 20-3b

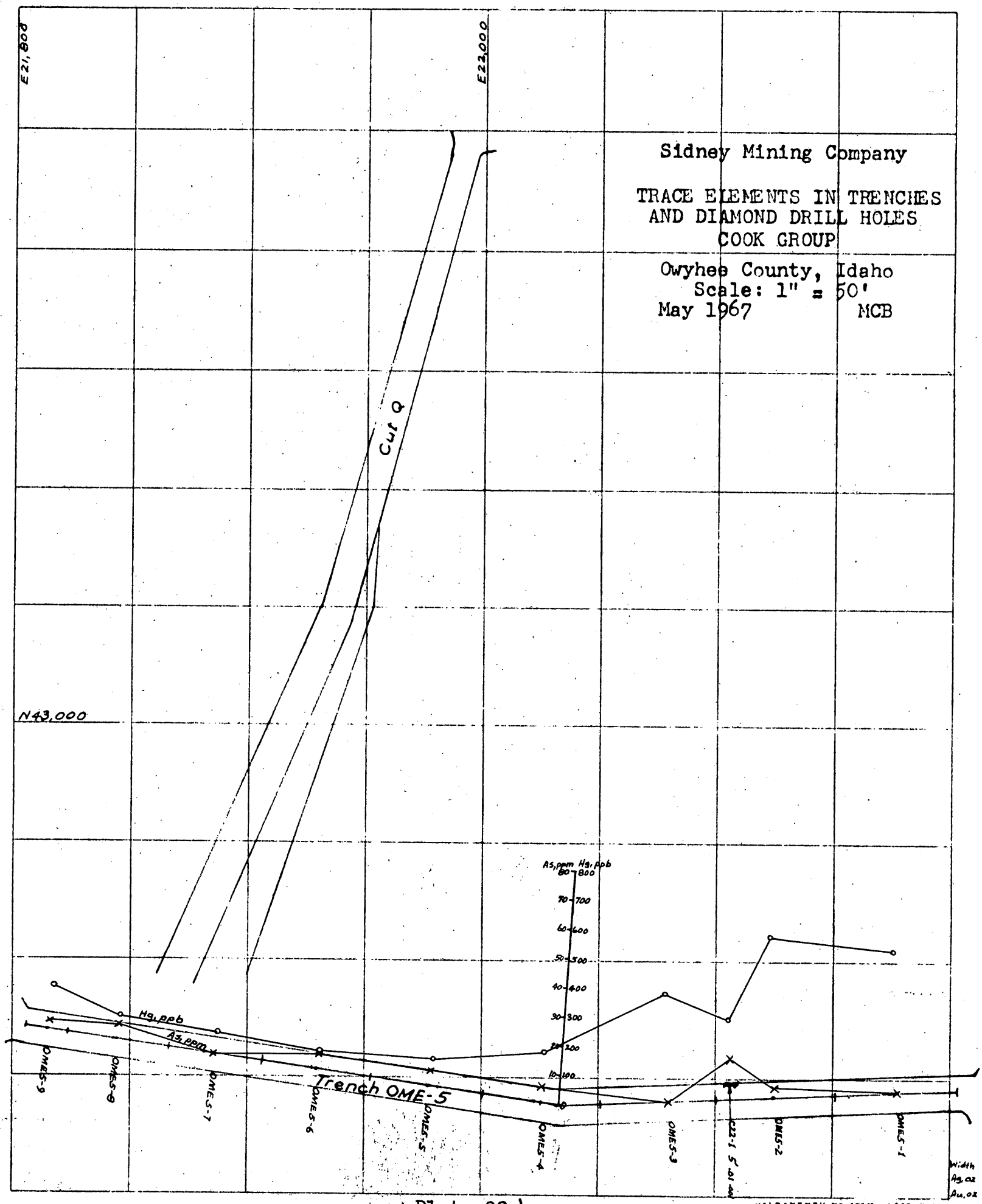

Sidney Mining Company
TRACE ELEMENTS IN TRENCHES
AND DIAMOND DRILL HOLES
COOK GROUP
Owyhee County, Idaho
Scale: 1" = 50'
May 1967
MCB
E21,800
E22,000
N43,000
Cut Q
As, ppm
Hg, ppb
80 800
70 700
60 600
50 500
40 400
30 300
20 200
10 100
0
Hg, ppb
As, ppm
Trench OME-5
OME5-9
OME5-8
OME5-7
OME5-6
OME5-5
OME5-4
OME5-3
CR2-1 5' 01 oz
OME5-2
OME5-1
Width
Ag, oz
Au, oz

Plate 20-4

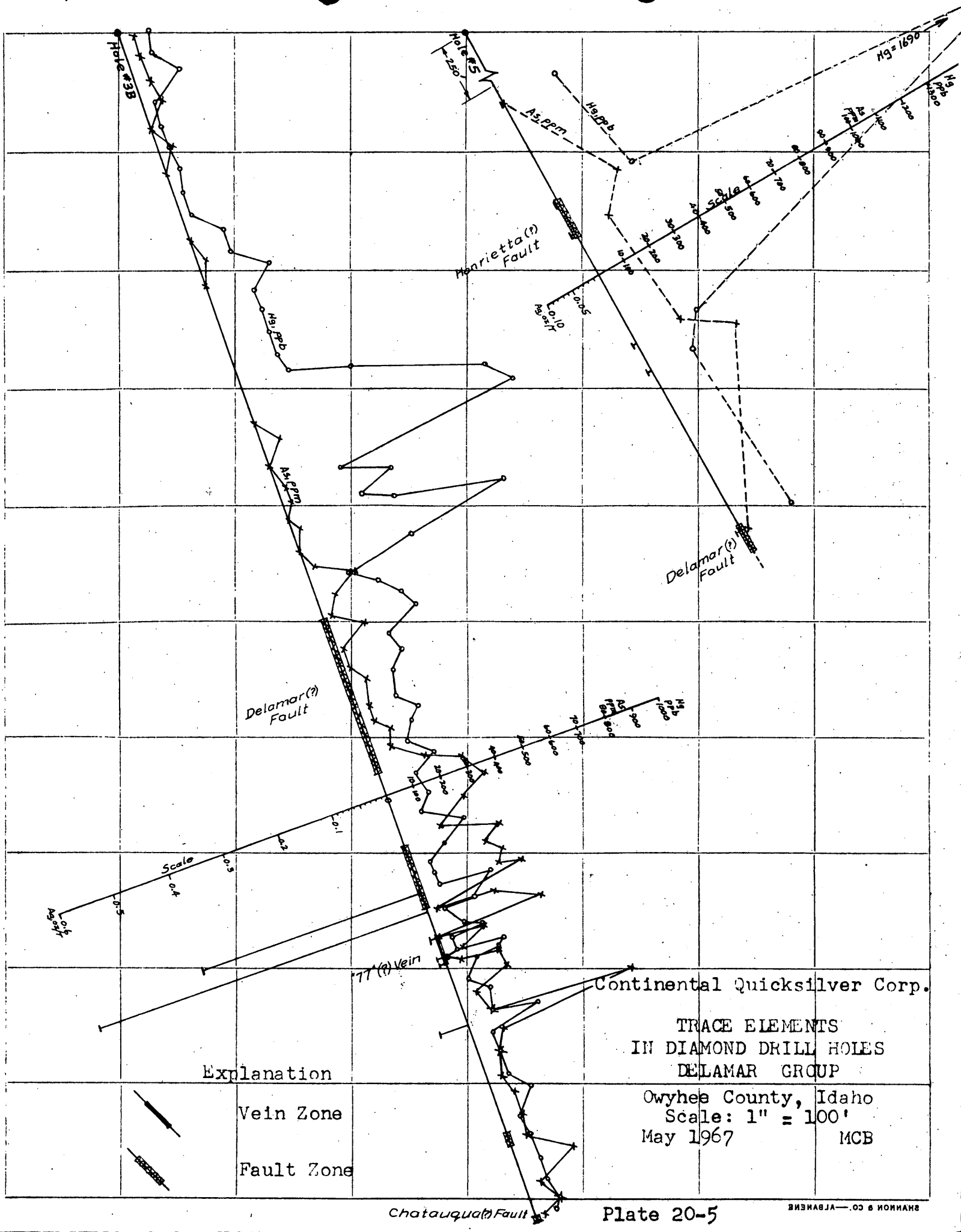
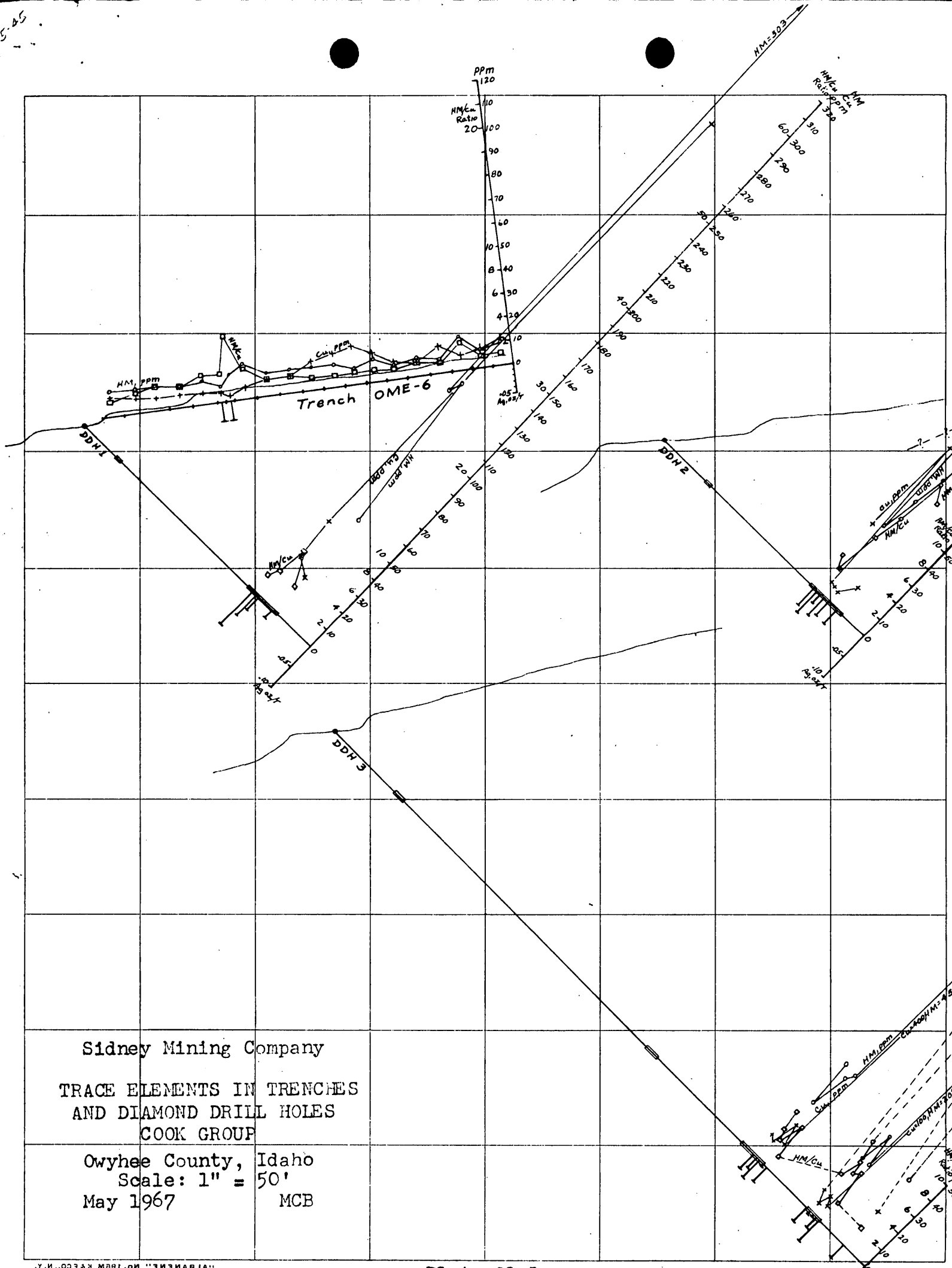


Plate 20-5

SHANNON & CO.—ALBANENE

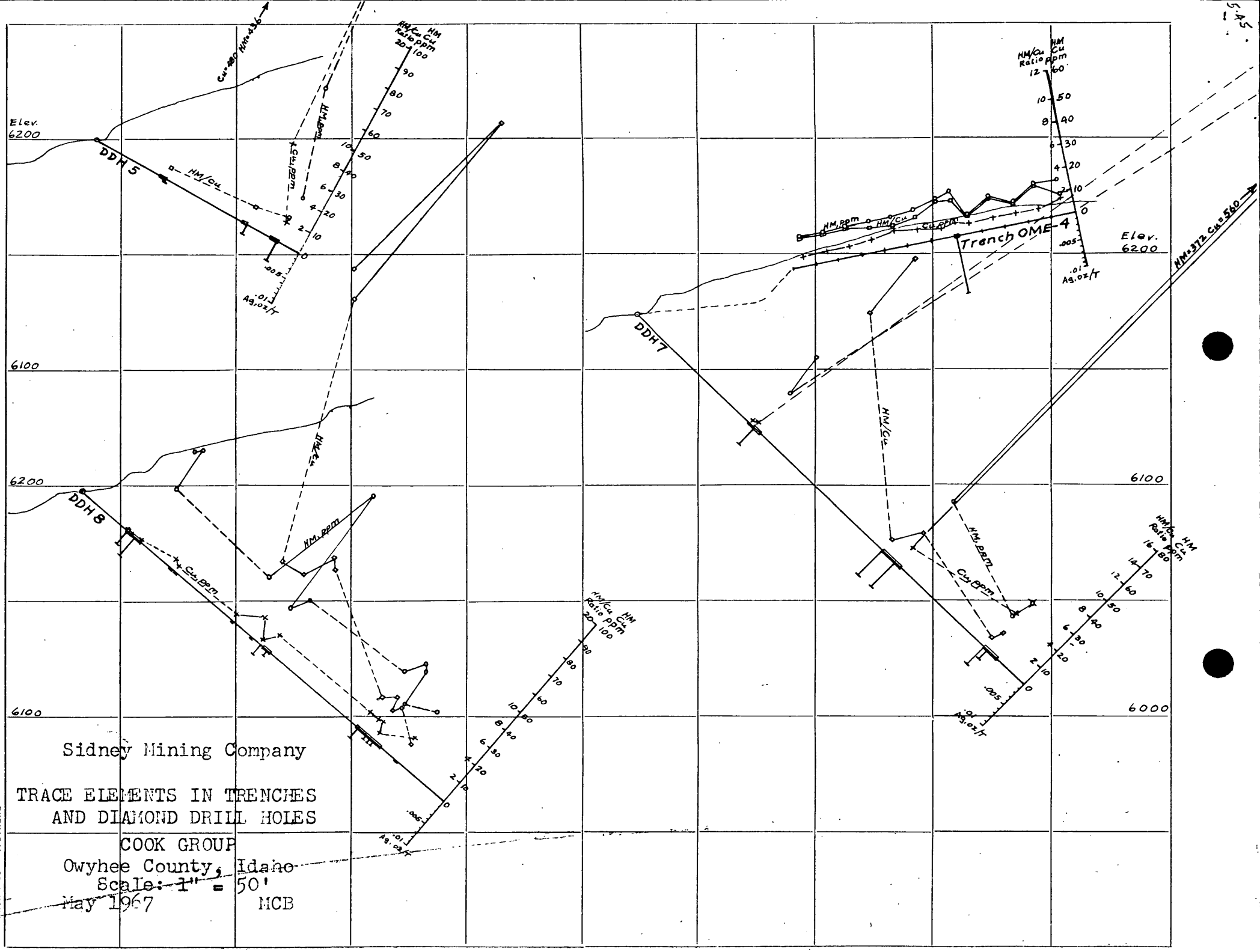


Sidney Mining Company

TRACE ELEMENTS IN TRENCHES
AND DIAMOND DRILL HOLES
COOK GROUP

Owyhee County, Idaho
Scale: 1" = 50'
May 1967 MCB

Plate 21-1



Sidney Mining Company

TRACE ELEMENTS IN TRENCHES
AND DIAMOND DRILL HOLES

COOK GROUP

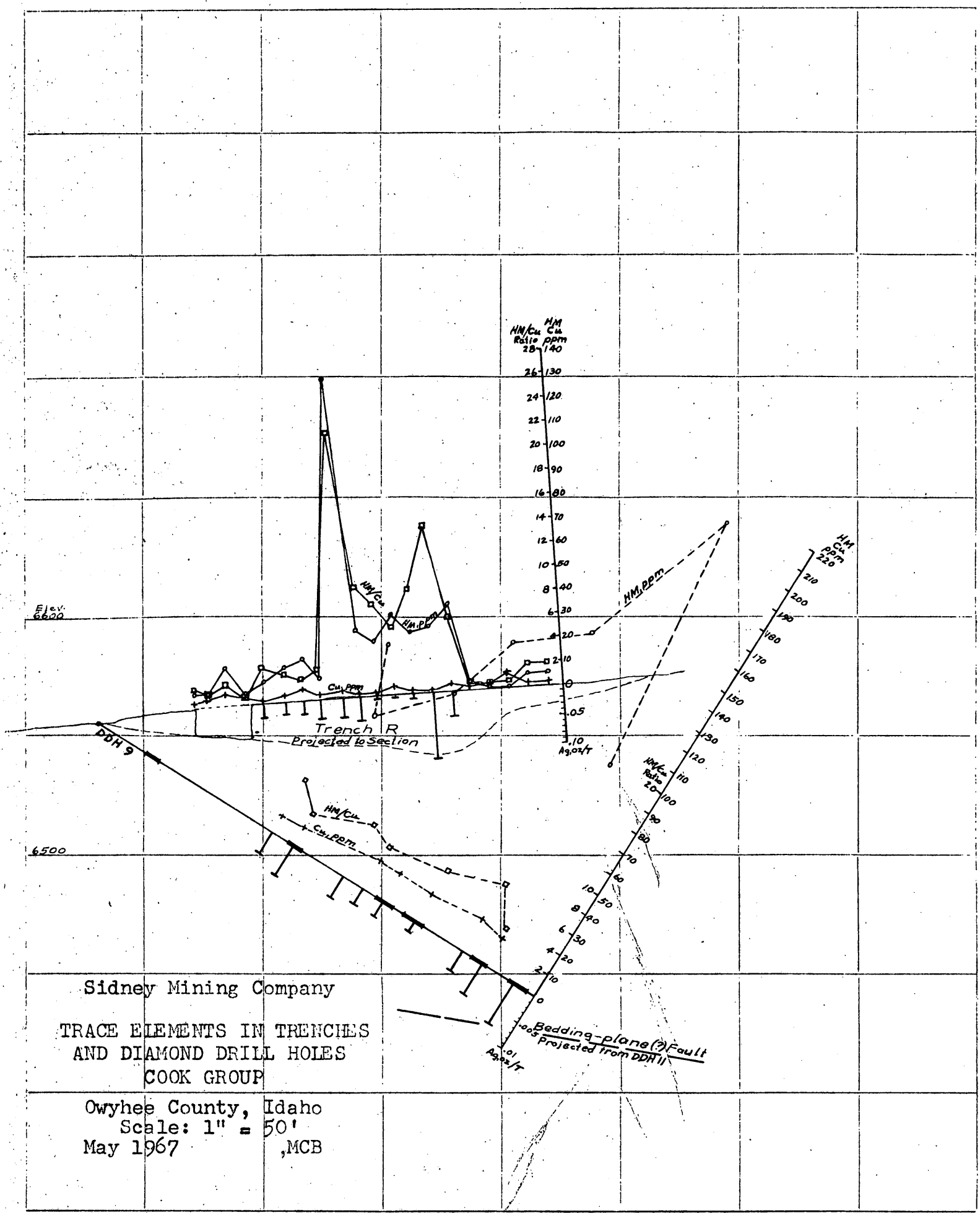
Owyhee County, Idaho

Scale: 1" = 50'

May 1967 MCB

Plate 21-2

SHANNON & CO.—SPOKANE

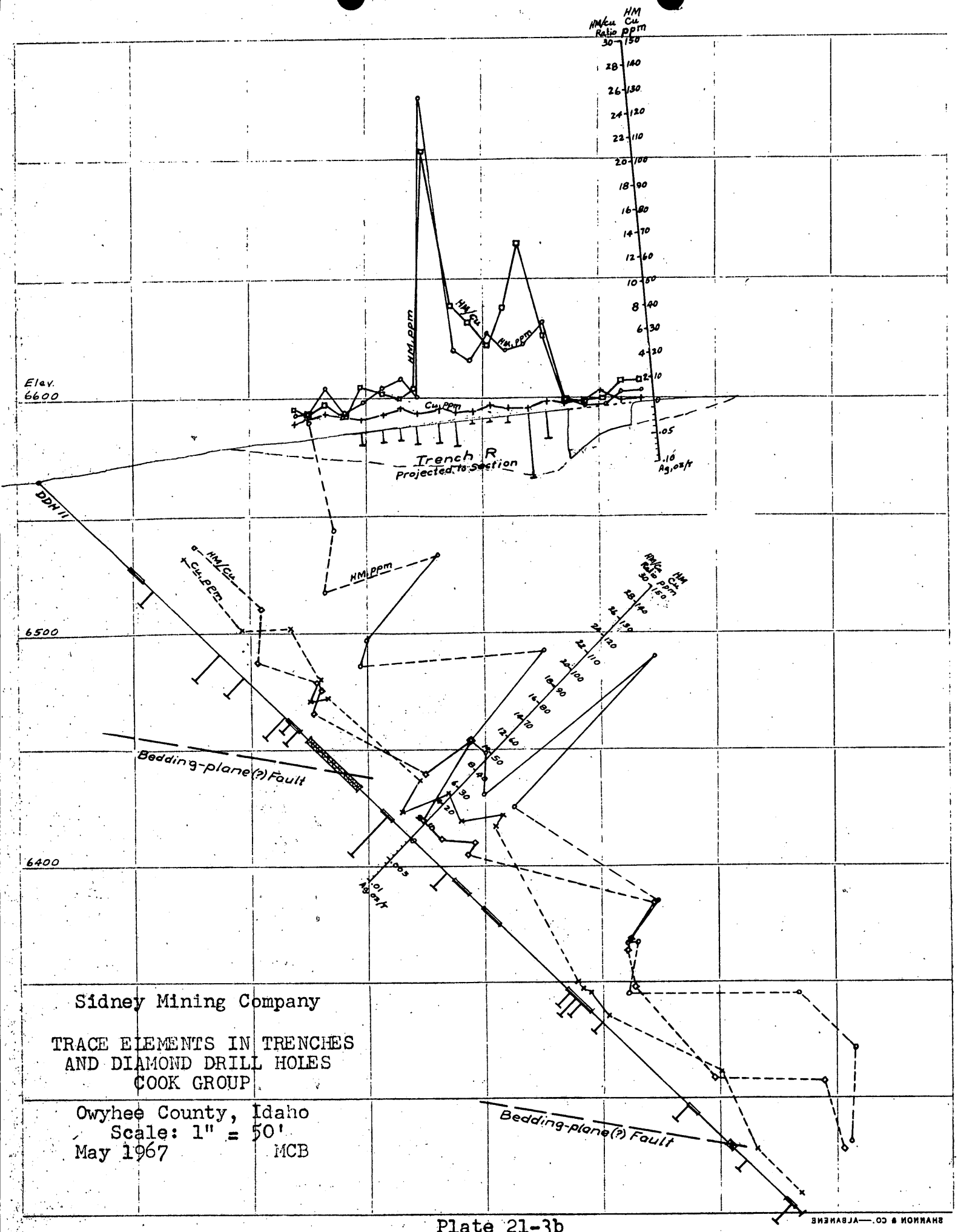


Sidney Mining Company

TRACE ELEMENTS IN TRENCHES
AND DIAMOND DRILL HOLES
COOK GROUP

Owyhee County, Idaho
Scale: 1" = 50'
May 1967 ,MCB

Plate 21-3a



Sidney Mining Company

TRACE ELEMENTS IN TRENCHES
AND DIAMOND DRILL HOLES
COOK GROUP

Owyhee County, Idaho
Scale: 1" = 50'
May 1967 MCB

Plate 21-3b

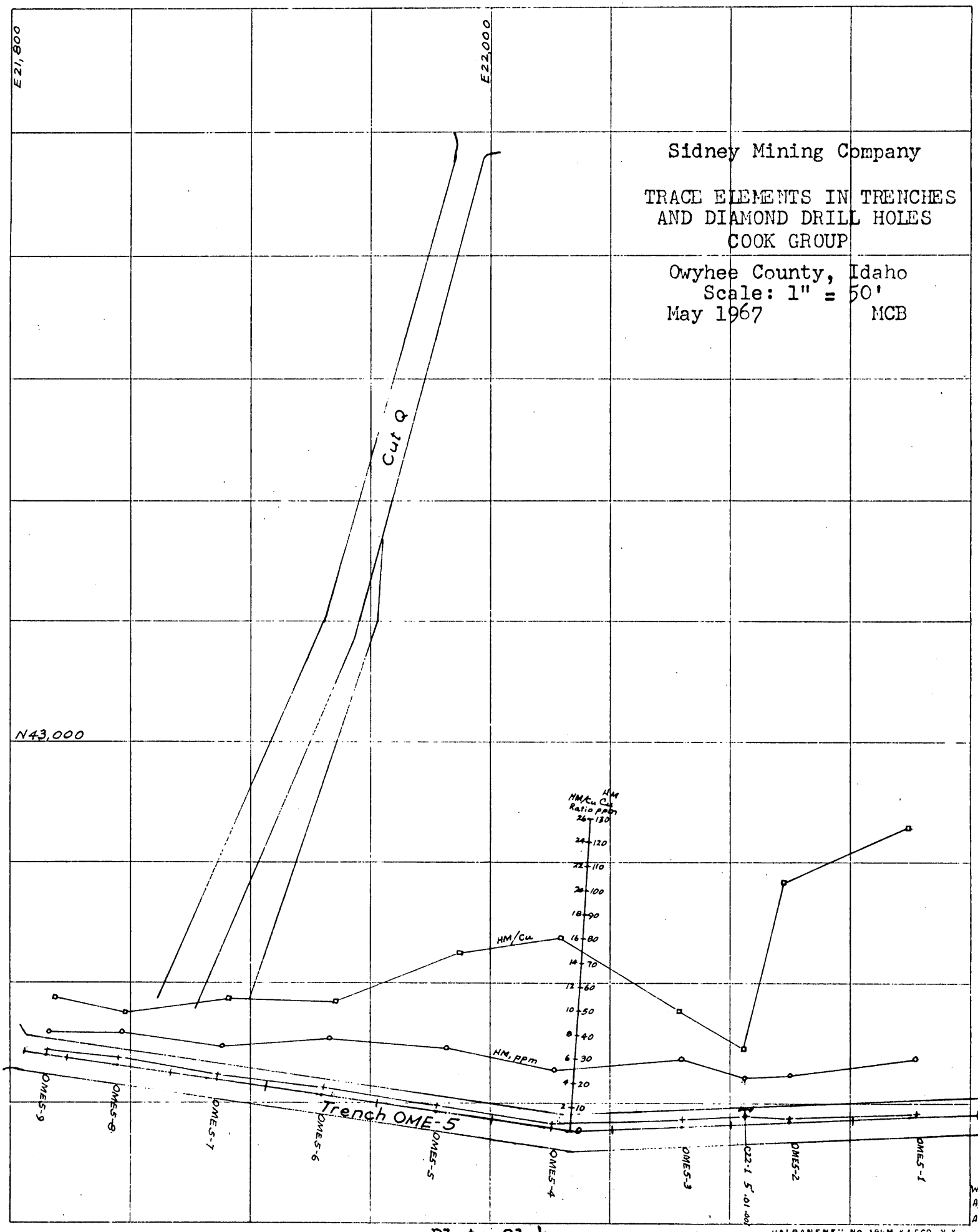


Plate 21-4

"ALBANENE" No. 195M K&E CO., N.Y.
REG. U.S. PAT. OFF

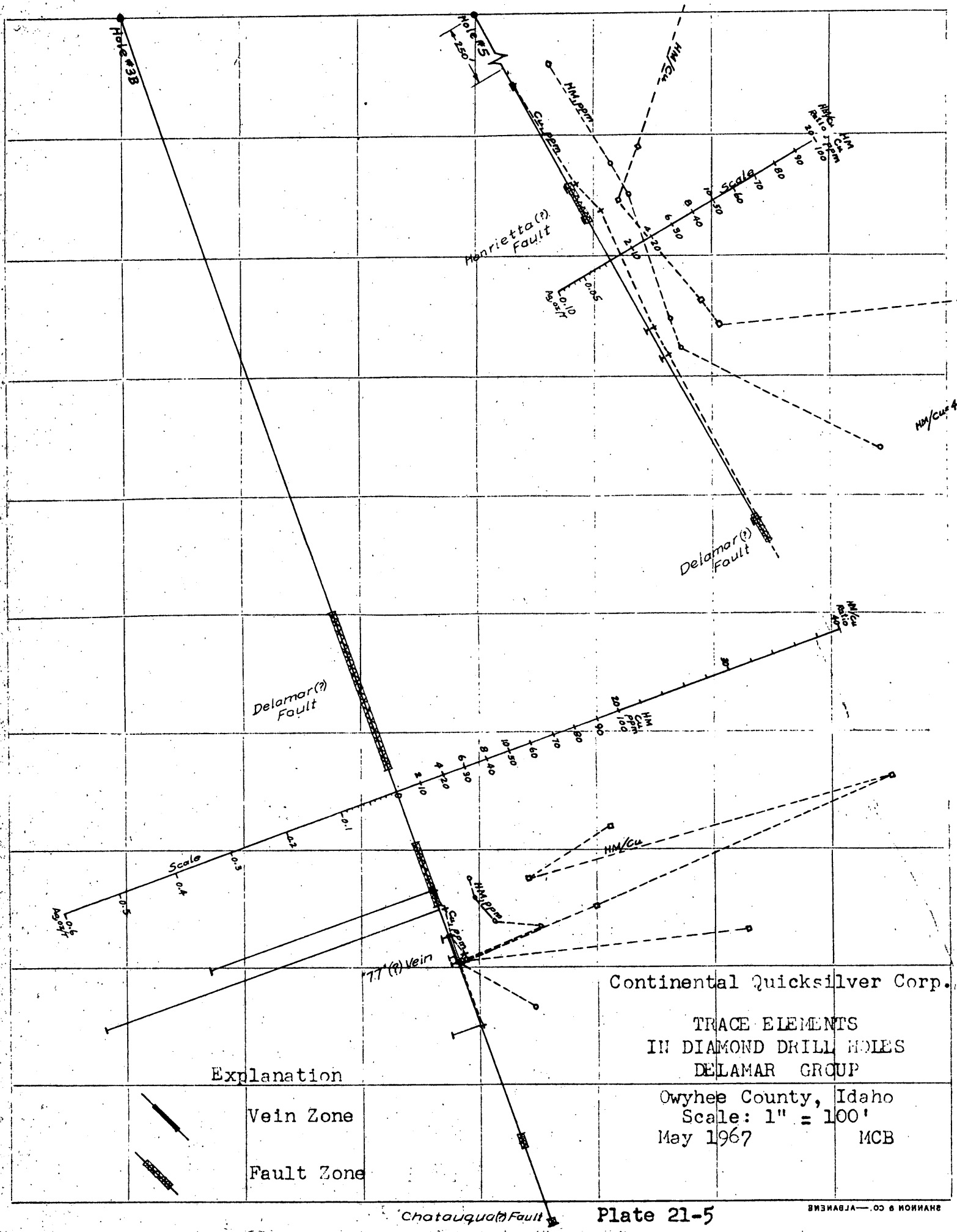
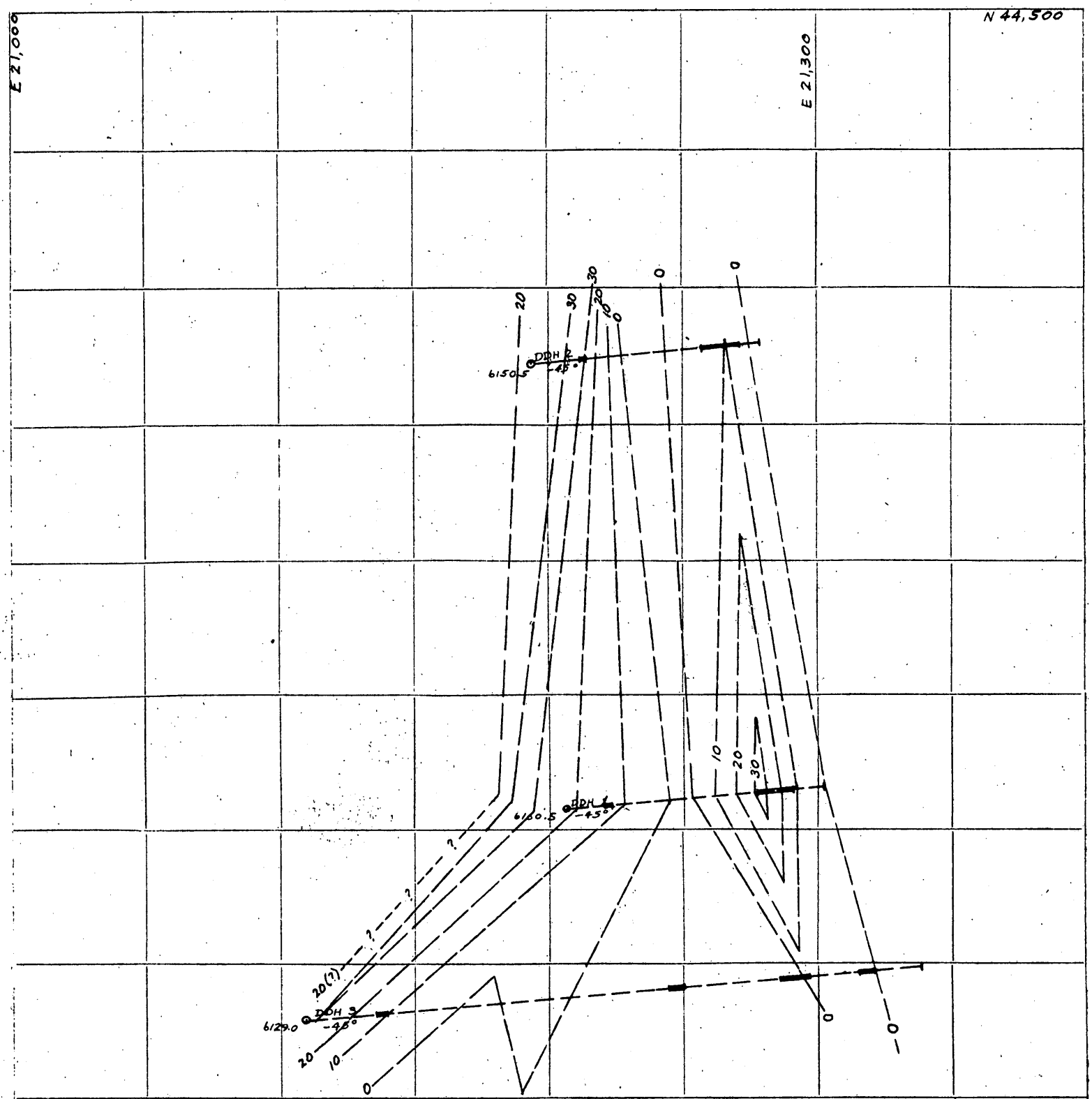

Hole #3B
Hole #5
250
HM/Cu
HM ppm
Cu ppm
HM/Cu Ratio
HM Cu ppm
Scale
Henrietta(?) Fault
Ag oz/T
HM/Cu 40
Delamar(?) Fault
Delamar(?) Fault
HM/Cu Ratio
HM Cu ppm
Scale
Ag oz/T
HM/Cu
HM ppm
Cu ppm
7.7' (?) Vein
Chatauqua(?) Fault
Explanation
Vein Zone
Fault Zone
Continental Quicksilver Corp.
TRACE ELEMENTS
IN DIAMOND DRILL HOLES
DELAMAR GROUP
Owyhee County, Idaho
Scale: 1" = 100'
May 1967
MCB

Plate 21-5



Sidney Mining Company

TRACE ELEMENTS
IN DIAMOND DRILL HOLES
COOK GROUP

Owyhee County, Idaho
Scale: 1" = 50'
May 1967 NCB

Explanation

Vein zone
Mineralized (mostly pyrit
shear or breccia

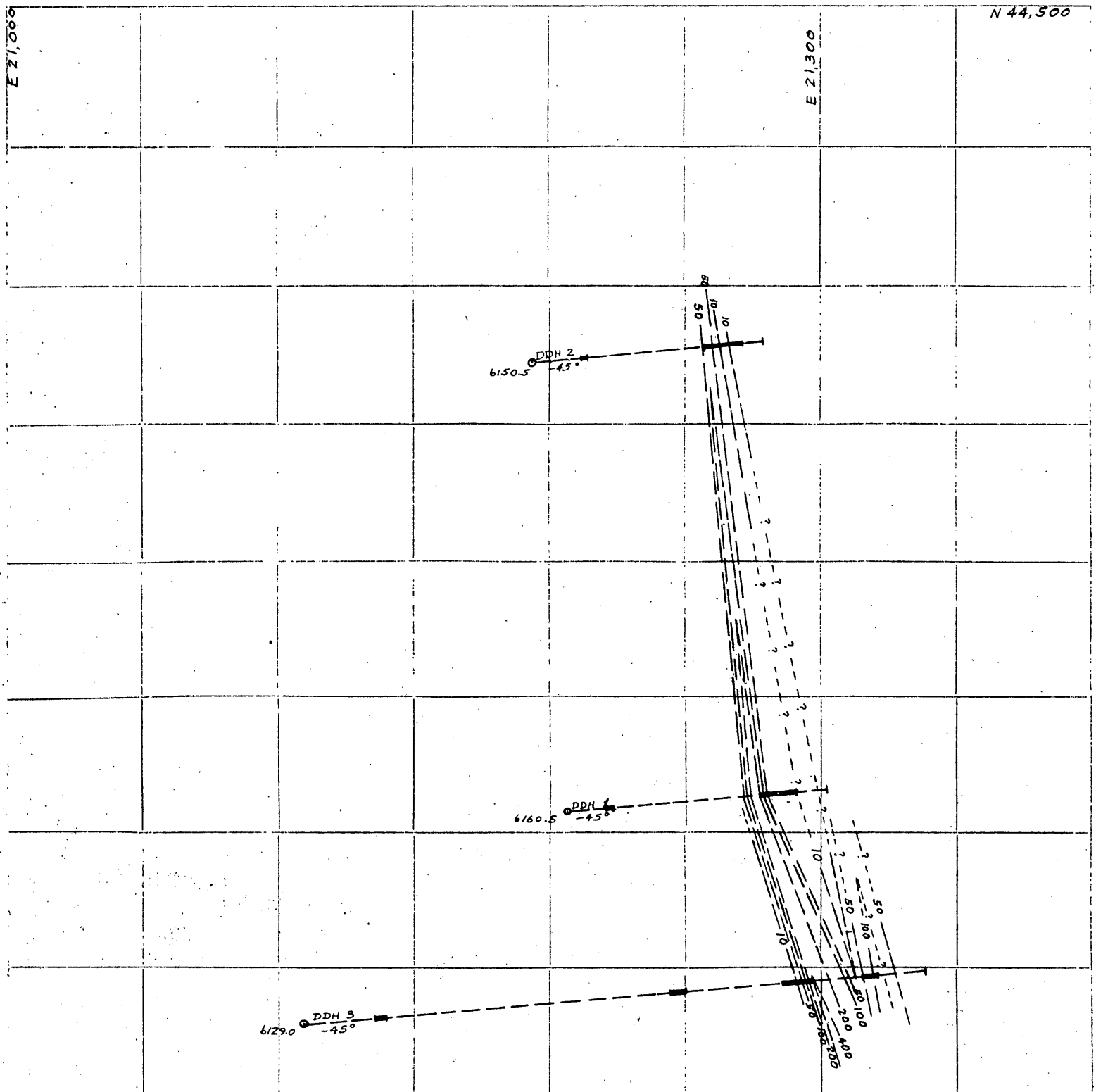
Contours on horizontal
Projection
Arsenic in ppm

N 44,000

SHANNON & CO.—ALBANENE

Plate 22-A

5-50



Sidney Mining Company

T AC[illegible]
IN DIA[illegible] DRILL [illegible]
CROSS SECTION

Explanation

Vein zone
Mineralized (mostly pyrit[illegible]
shear or breccia

Cochise County, Idaho
Scale: 1" = 50'
May 1[illegible]

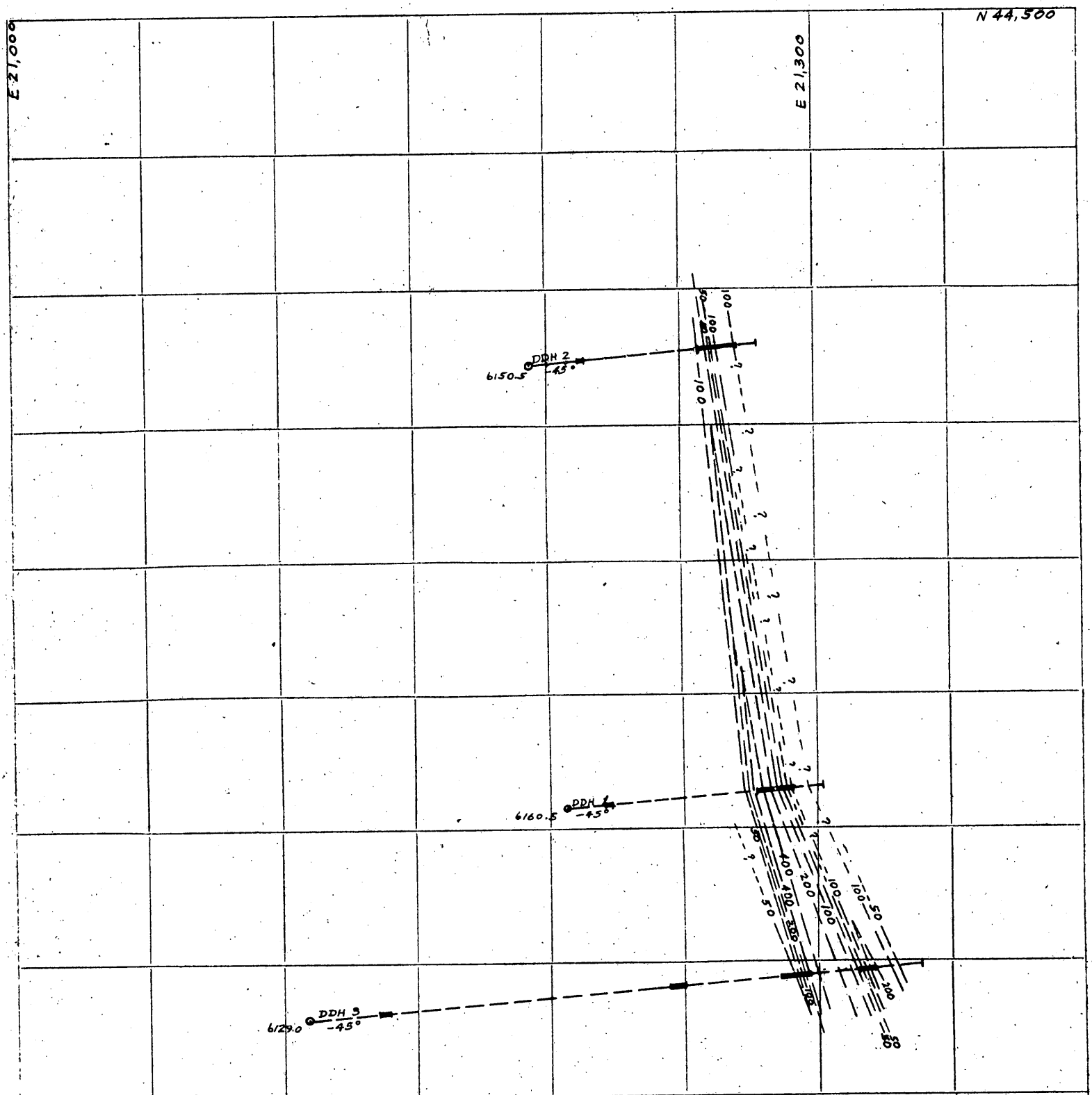
—100—

Contours on horizontal
projection
Copper in ppm

N 44,000

SHANNON & CO.—ALBANENE

Plate 22-C



Sidney Mining Company

TRACE ELEMENTS
IN DIAMOND DRILL HOLES
COOK GROUP

Owyhee County, Idaho
Scale: 1" = 50'
May 1967 HCB

Explanation

Vein zone
Mineralized (mostly pyrit
shear or breccia

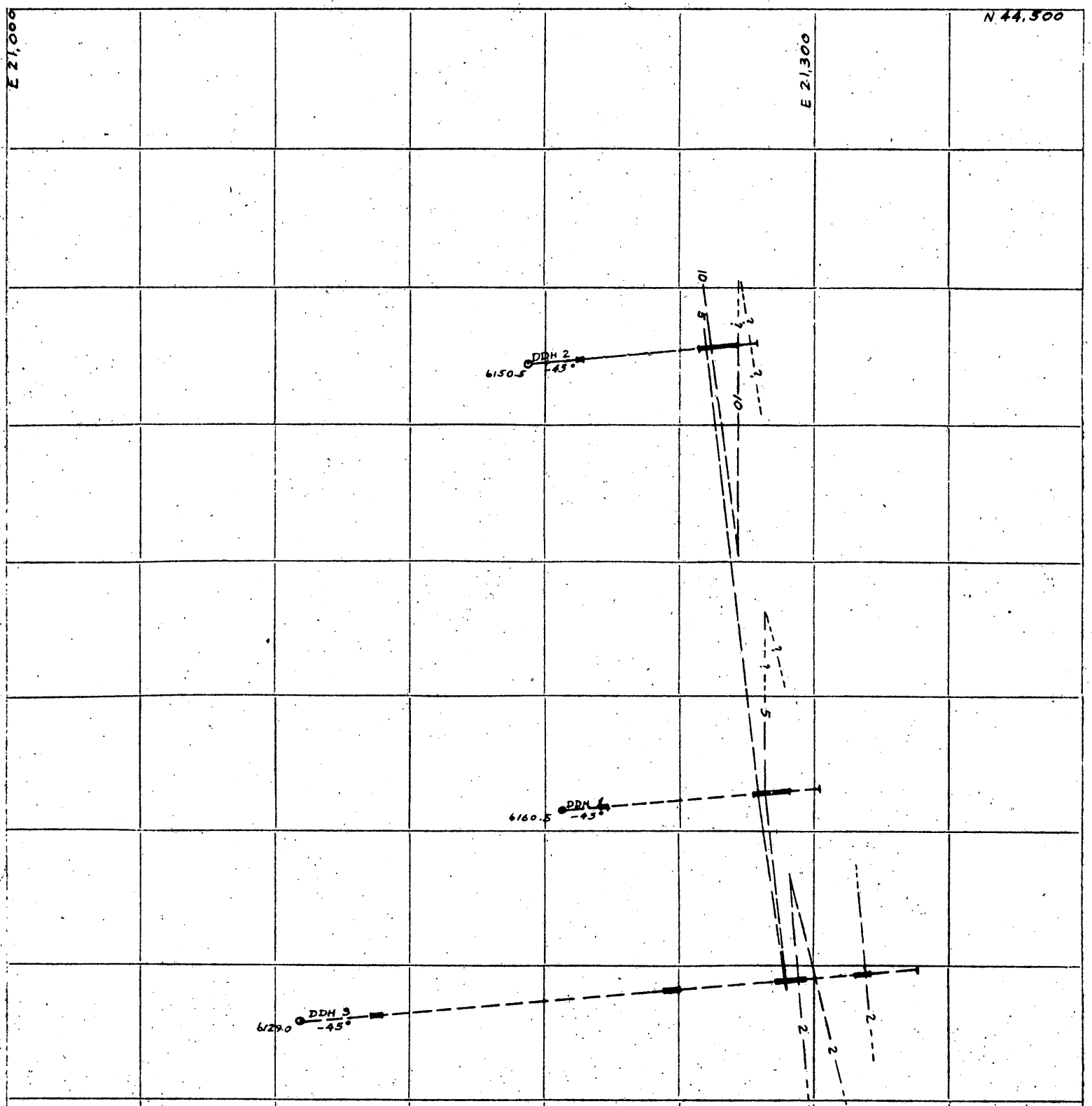
Contours on Horizontal
Projection
Heavy Metals in ppm

—100—

N 44,000

SHANNON & CO.—ALBANIENE

Plate 22-HM



Sidney Mining Company

TRACE ELEMENTS
IN DIAMOND DRILL HOLES
COOK GROUP

Owyhee County, Idaho
Scale: 1" = 50'
May 1967 RCD

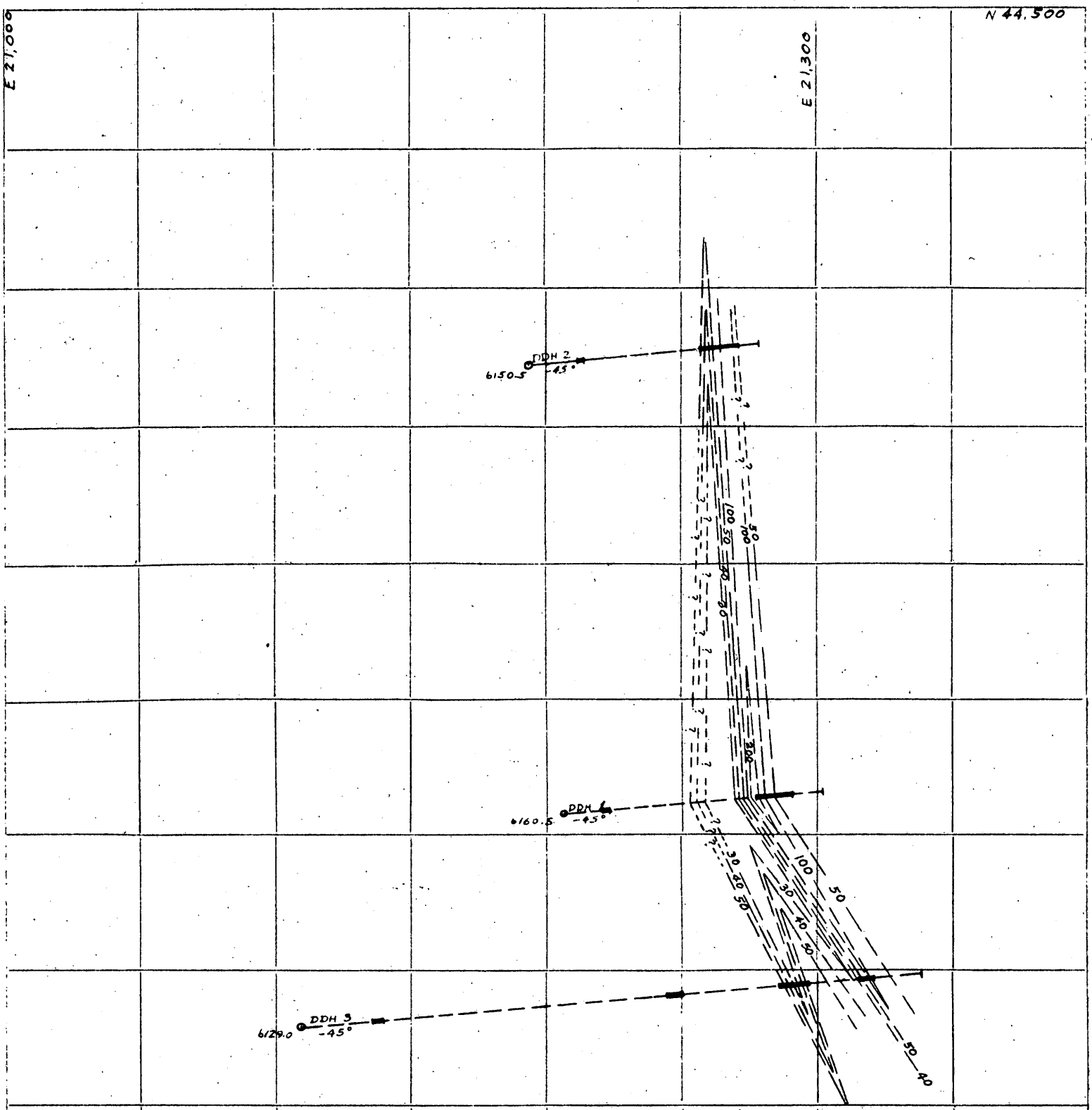
Explanation

Vein zone
Mineralized (mostly pyrit
shear or breccia

—100—

Contours on horizontal
Projection
Heavy Metal/Copper Ratio

Plate 22-HMC



Sidney Mining Company

TRACE ELEMENTS
IN DIAMOND DRILL HOLES
COOK GROUP

Owyhee County, Idaho
Scale: 1" = 50'
May 1967 HCF

Explanation

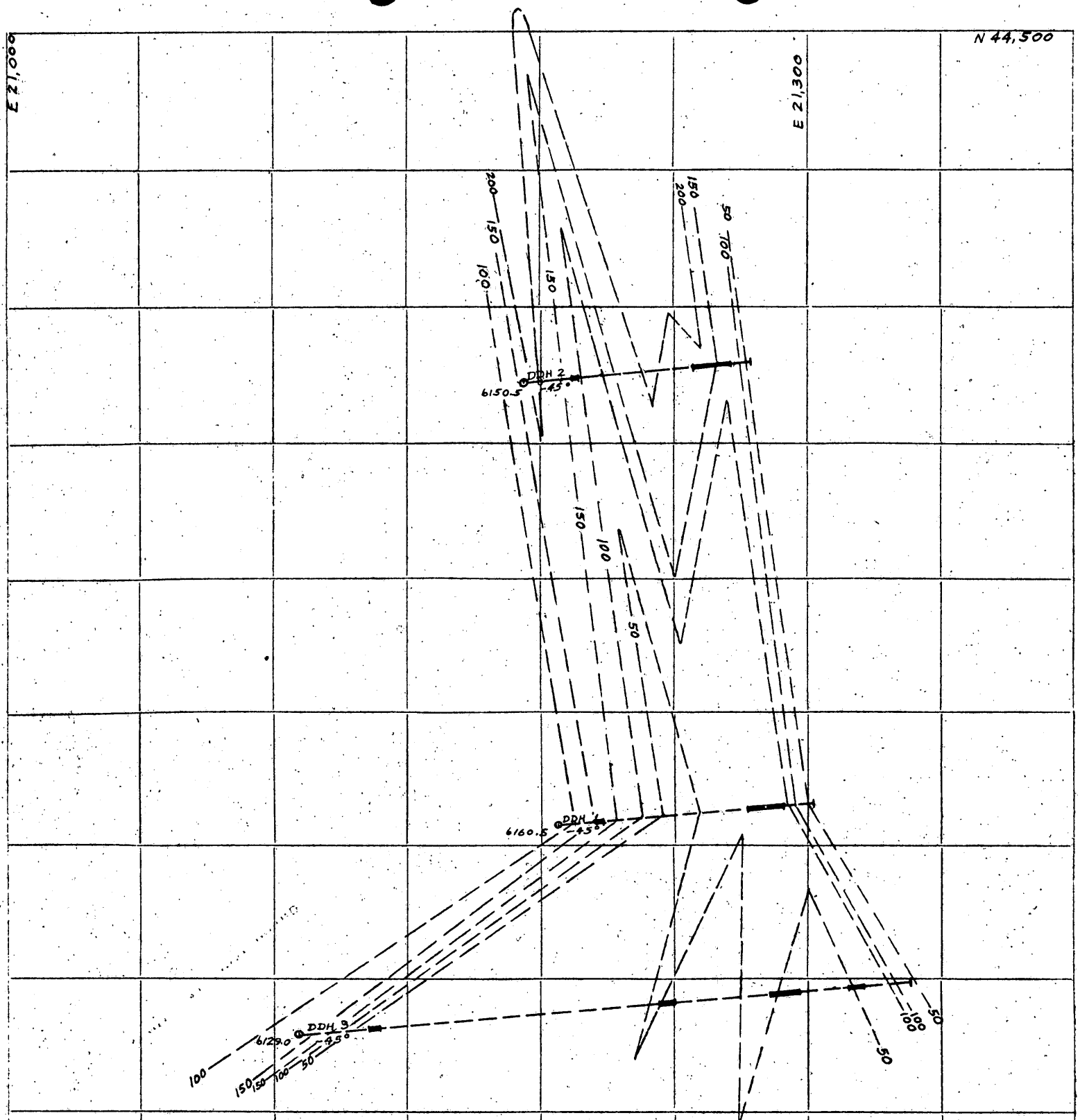
Vein zone
Mineralized (mostly pyrit
shear or breccia

Contours on horizontal
Projection
—100— Lead + Zinc (HM - Cu), ppm

N 44,000

SHANNON & CO.—ALBANIENE

Plate 22-LZ



Sidney Mining Company

TRACE ELEMENTS
IN DIAMOND DRILL HOLES
COOK GROUP

Owyhee County, Idaho
Scale: 1" = 50'
May 1967 MCB

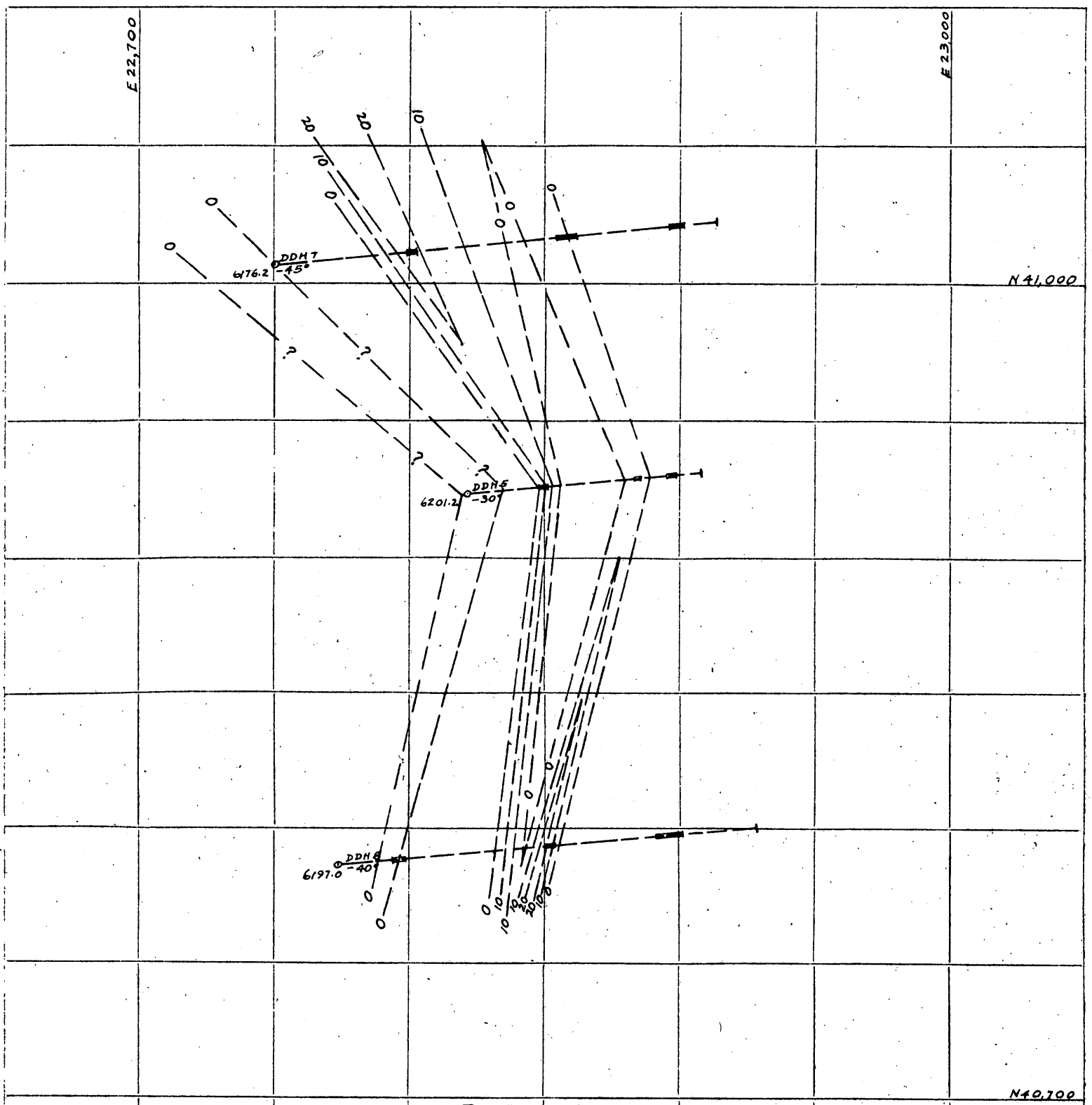
Explanation

Vein zone
Mineralized (mostly pyrit
shear or breccia

Contours on horizontal
Projection
Mercury in ppb

N 44,000

Plate 22-M



Sidney Mining Company

TRACE ELEMENTS
IN DIAMOND DRILL HOLES
COOK GROUP

Owyhee County, Idaho
Scale: 1" = 50'
May 1967 HCL

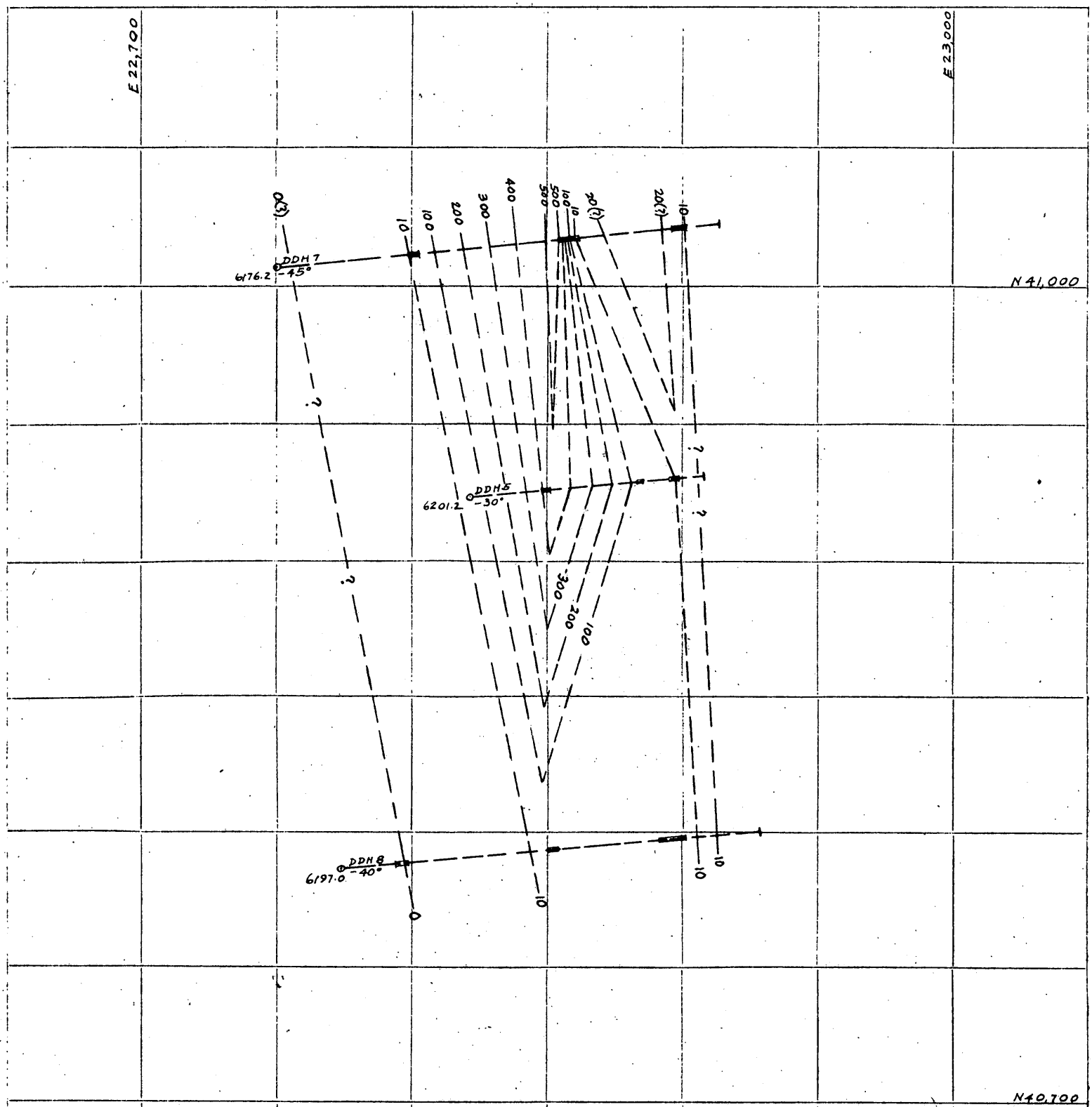
Explanation

Vein zone
Mineralized (mostly pyrite) shear or breccia

—100—

Contours on horiz. projection
Arsenic in ppm

Plate 23-A



Sidney Mining Company

TRACE ELEMENTS
IN DIAMOND DRILL CORE
COOK CREEK

Owyhee County, Idaho
Scale: 1" = 50'
May 1967

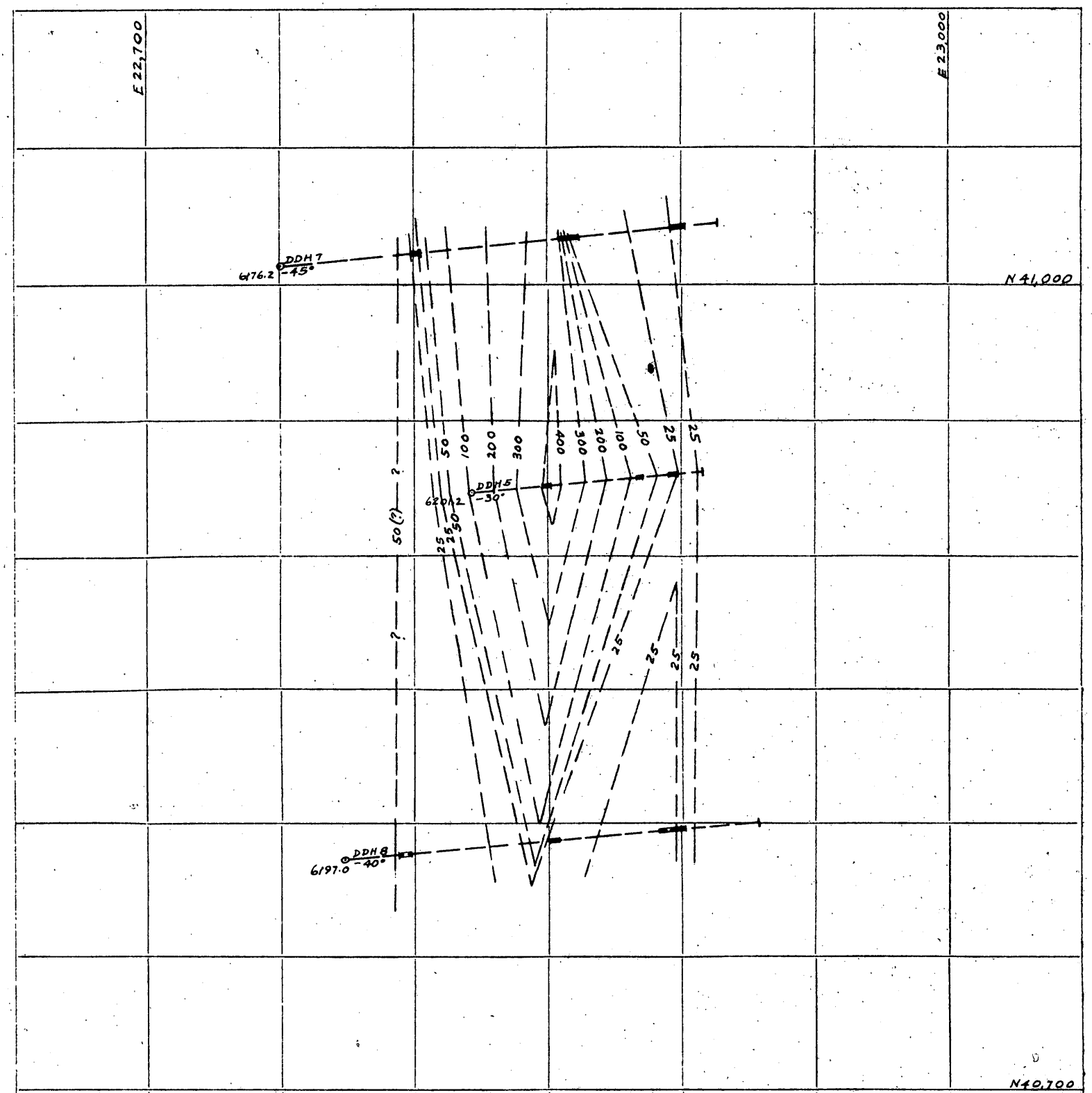
Explanation

Vein zone
Mineralized (mostly pyrite) shear or breccia

Contours on horiz. projection
—100— Copper in ppm

Plate 23-C

530



Sidney Mining Company

TRACE ELEMENTS
IN DIAMOND DRILL HOLES
COOK GROUP

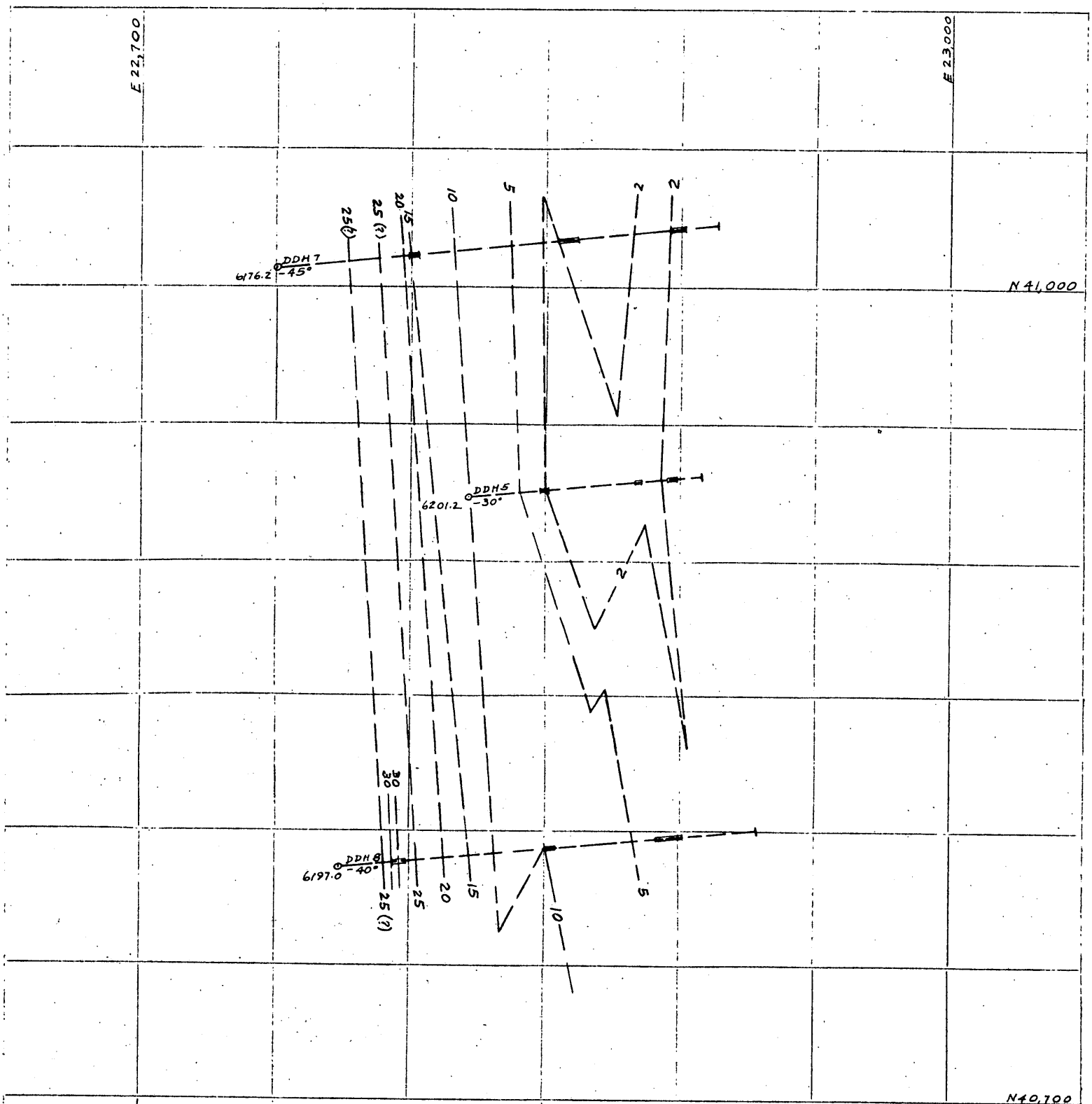
Owyhee County, Idaho
Scale: 1" = 50'
May 1967 MCI

Explanation

Vein zone
Mineralized (mostly pyrite)
shear or breccia

Contours on horiz. projection
Heavy Metals in ppm

Plate 23-HM



Sidney Mining Company

THE [illegible]
IN DIAMOND DRILL [illegible]
COOK [illegible]

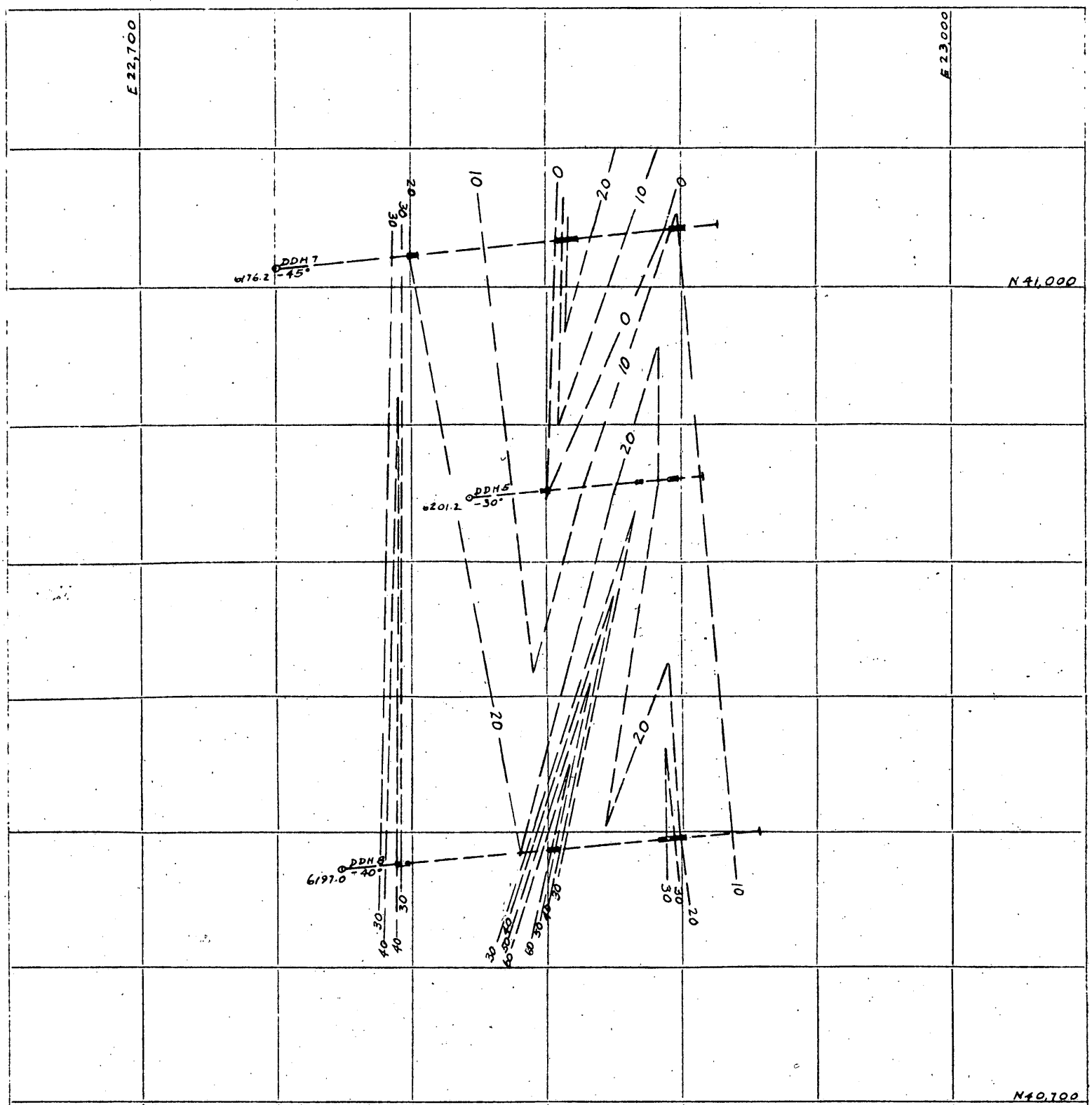
Owyhee County, Idaho
Scale: 1" = 50'
May 19[illegible]7 [illegible]

Explanation

Vein zone
Mineralized (mostly pyrite)
shear or breccia

Contours on horiz. projection
—100—
Heavy Metal/Copper Ratio

Plate 23-HMC



Sidney Mining Company

TRACE ELEMENTS
IN DIAMOND DRILL HOLES
COOK GROUP

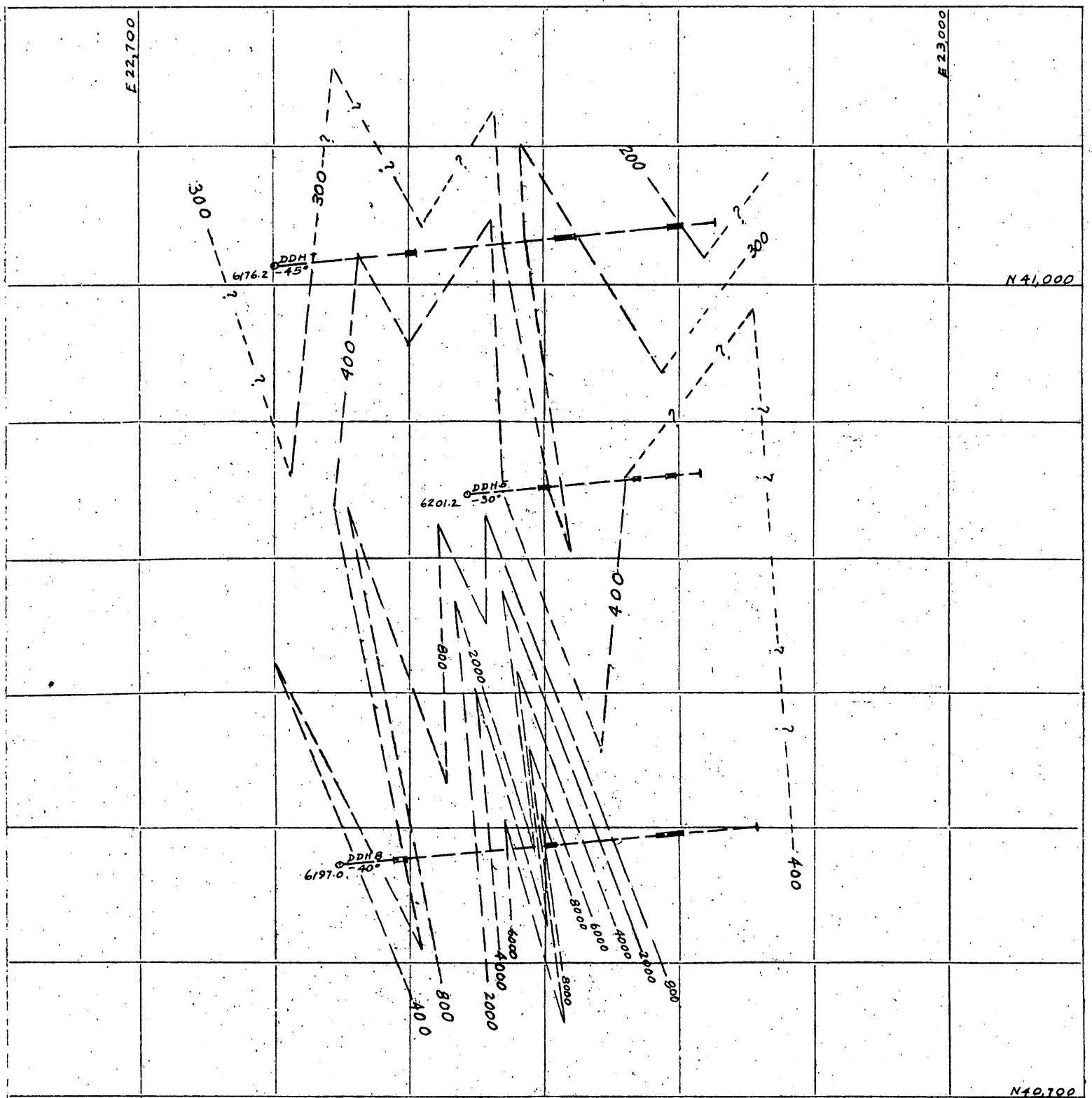
Owyhee County, Idaho
Scale: 1" = 50'
May 1967 MCI

Explanation

Vein zone
Mineralized (mostly pyrite) shear or breccia

Contours on horiz. projection
Lead + Zinc (HM - Cu) in ppm

Plate 23-LZ



Sidney Mining Company

TRACE ELEMENTS
IN DIAMOND DRILL HOLES
COOK GROUP

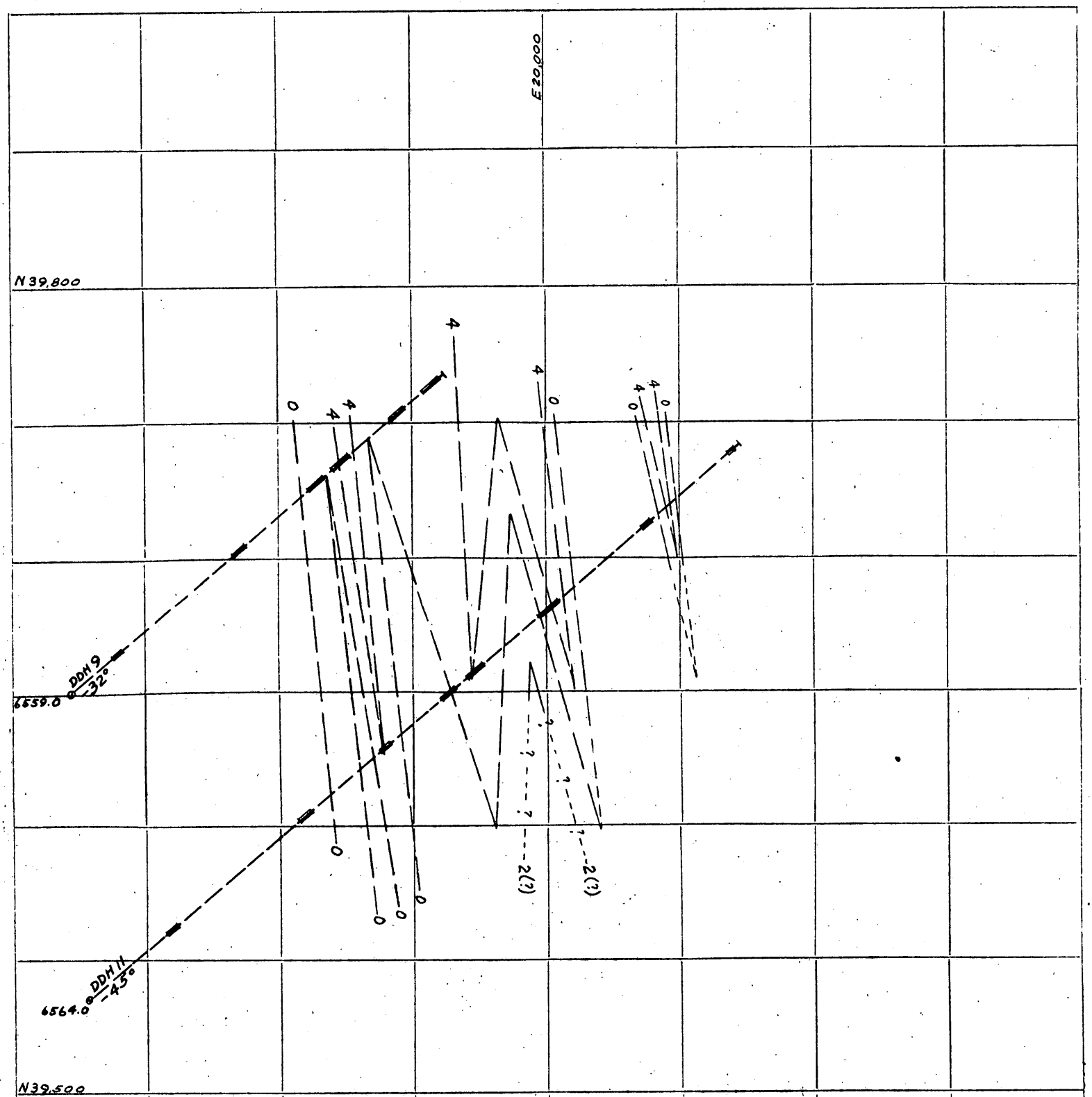
Owyhee County, Idaho
Scale: 1" = 50'
May 1967 MCI

Explanation

Vein zone
Mineralized (mostly pyrite) shear or breccia

——100——
Contours on horiz. projection
Mercury, in ppb

Plate 23-M



Sidney Mining Company

TRACE ELEMENTS
IN DIAMOND DRILL HOLES
COOK GROUP

Owyhee County, Idaho
Scale: 1" = 50'
May 1967 MCB

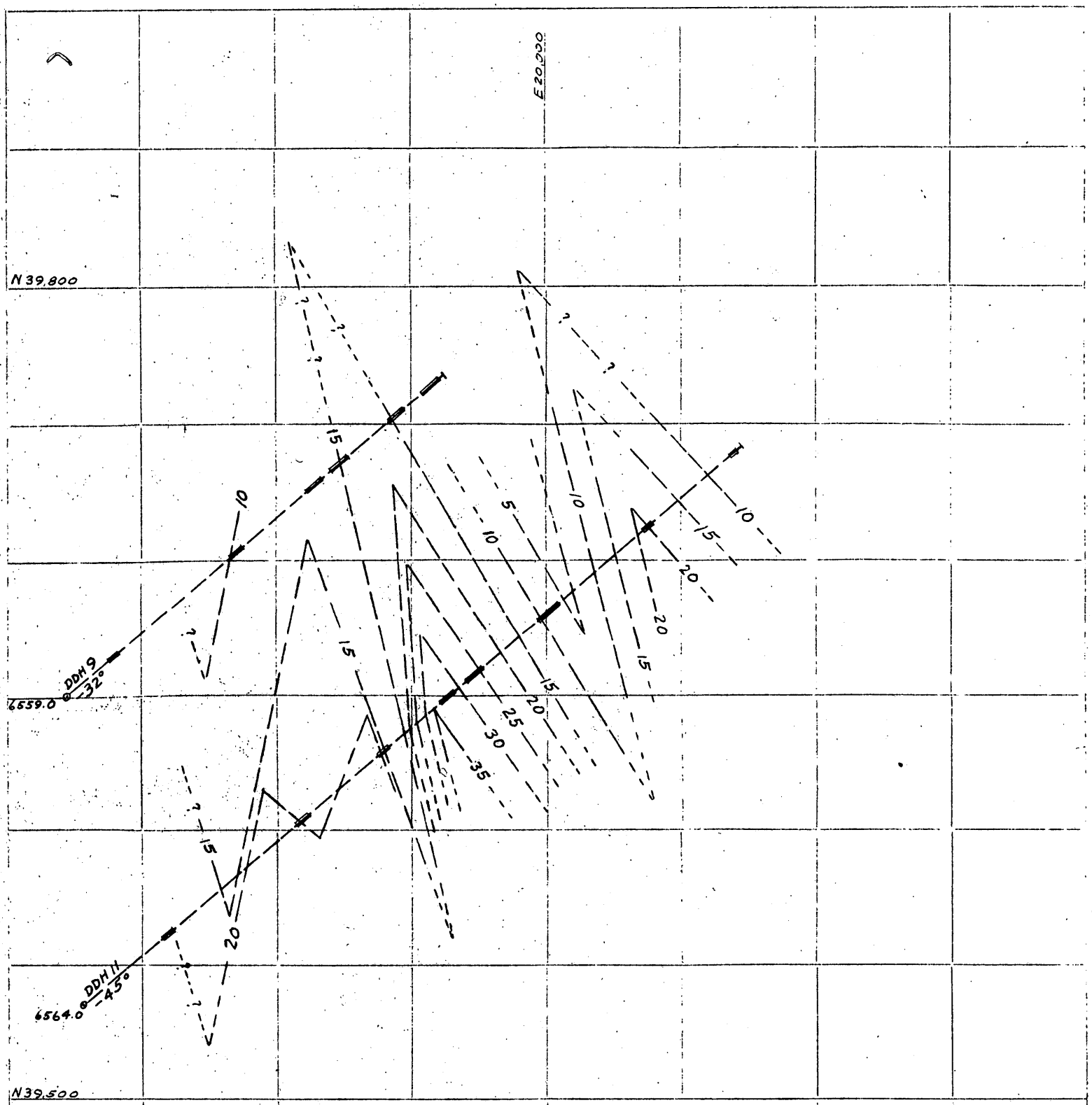
Explanation

Vein Zone
Mineralized (mostly pyrite) shear or breccia

—100—

Contours on horizontal projection
Arsenic in ppm

Plate 24-A



Sidney Mining Company

TRACE ELEMENTS
IN DIAMOND DRILL HOLES
COOK GROUP

Owyhee County, Idaho
Scale: 1" = 50'
May 1967 MCB

Explanation

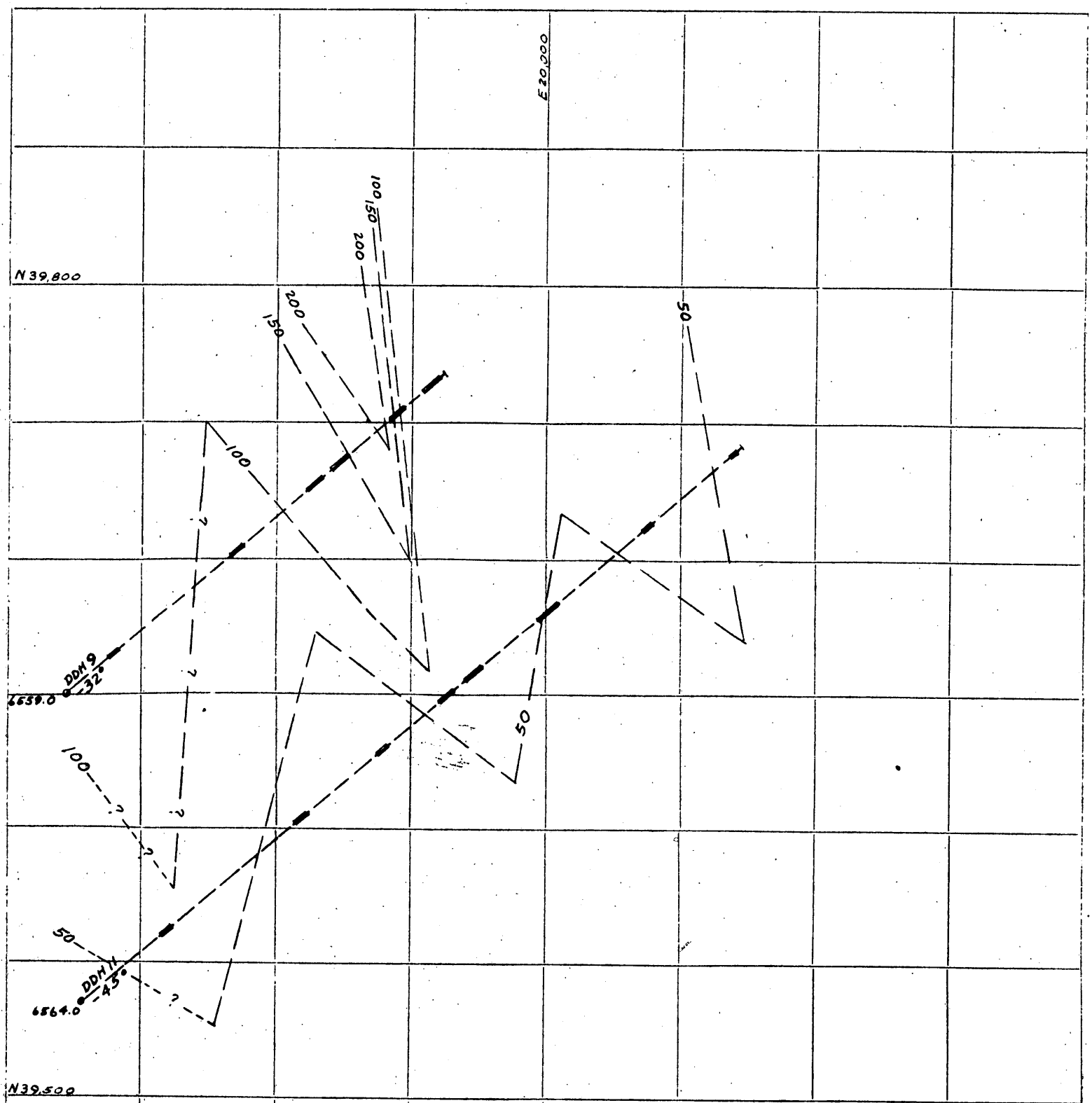
Vein Zone
Mineralized (mostly pyrite) shear or breccia

—100—

Contours on horizontal projection
Copper in ppm

Plate 24-C

SHANNON & CO.—ALBANENE



Sidney Mining Company

TRACE ELEMENTS
IN DIAMOND DRILL HOLES
COOK GROUP

Owyhee County, Idaho
Scale: 1" = 50'
May 1967 MCB

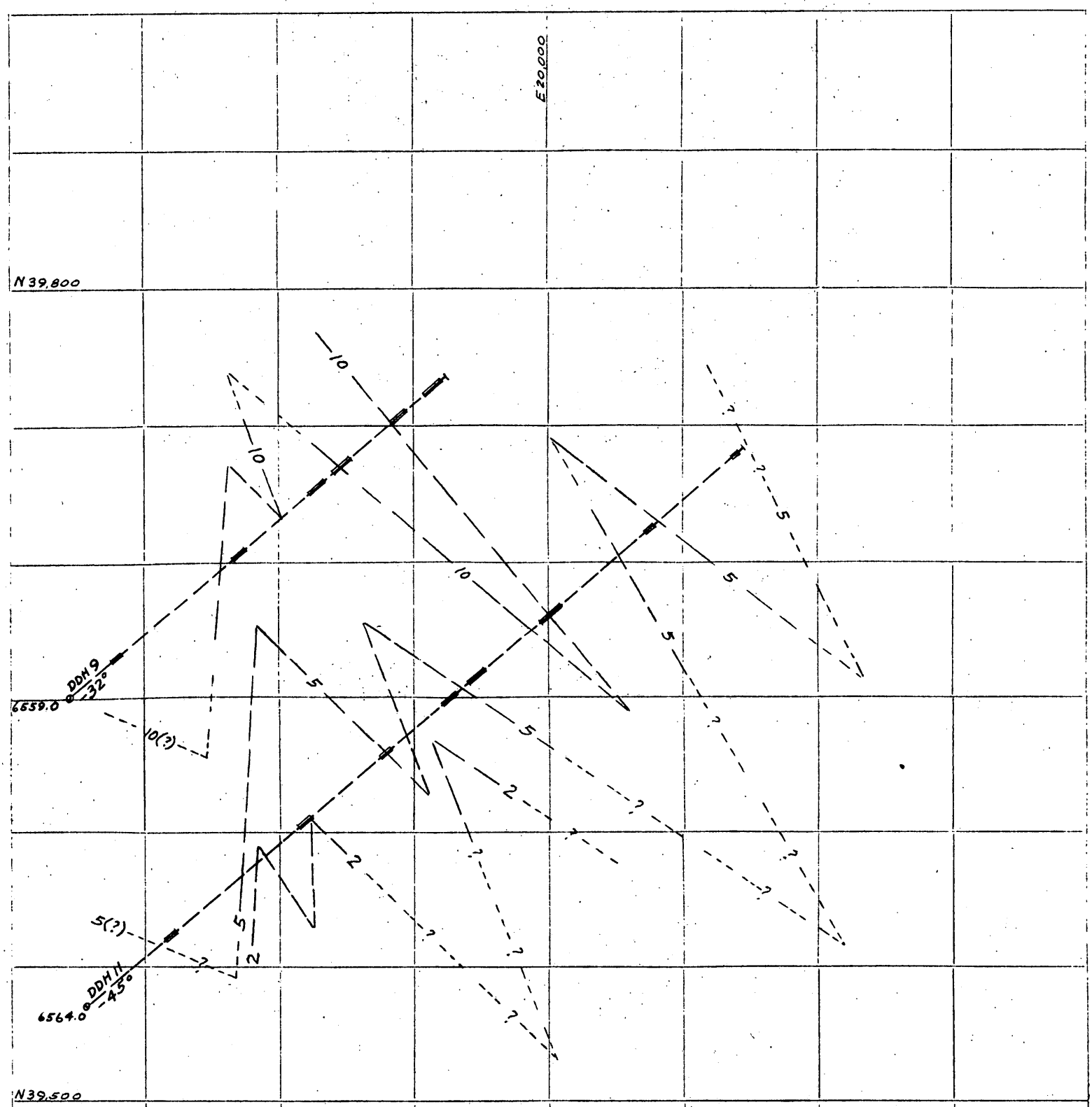
Explanation

Vein Zone
Mineralized (mostly pyrite) shear or breccia

—100—

Contours on horizontal projection
Heavy Metals in ppm

Plate 24-HM



Sidney Mining Company

TRACE ELEMENTS
IN DIAMOND DRILL HOLES
COOK GROUP

Owyhee County, Idaho
Scale: 1" = 50'
May 1967 MCB

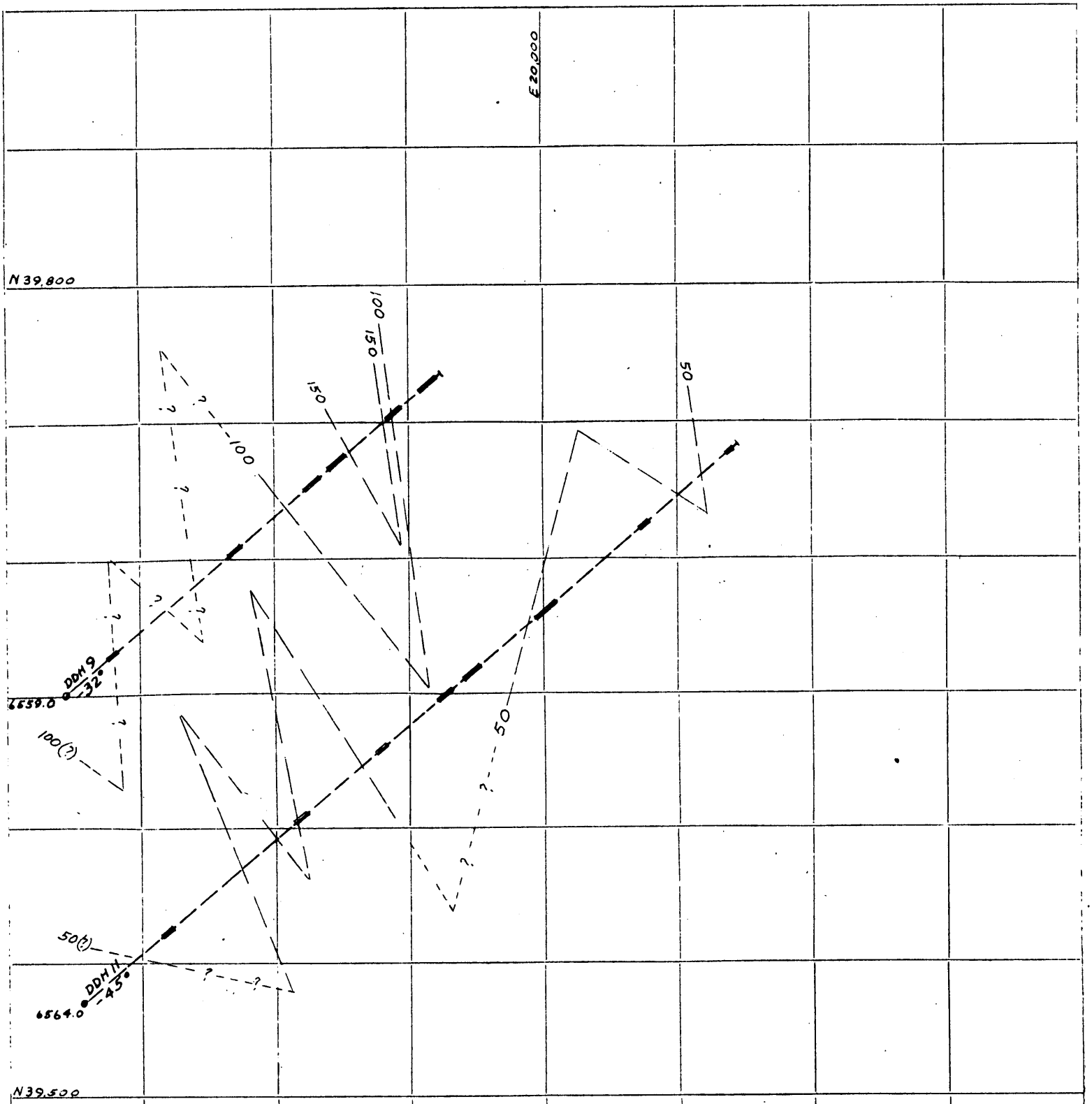
Explanation

Vein Zone
Mineralized (mostly pyrite) shear or breccia

——100——

Contours on horizontal projection
Heavy Metal/Copper Ratio

Plate 24-HMC



Sidney Mining Company

TRACE ELEMENTS
IN DIAMOND DRILL HOLES
COOK GROUP

Owyhee County, Idaho
Scale: 1" = 50'
May 1967 MCB

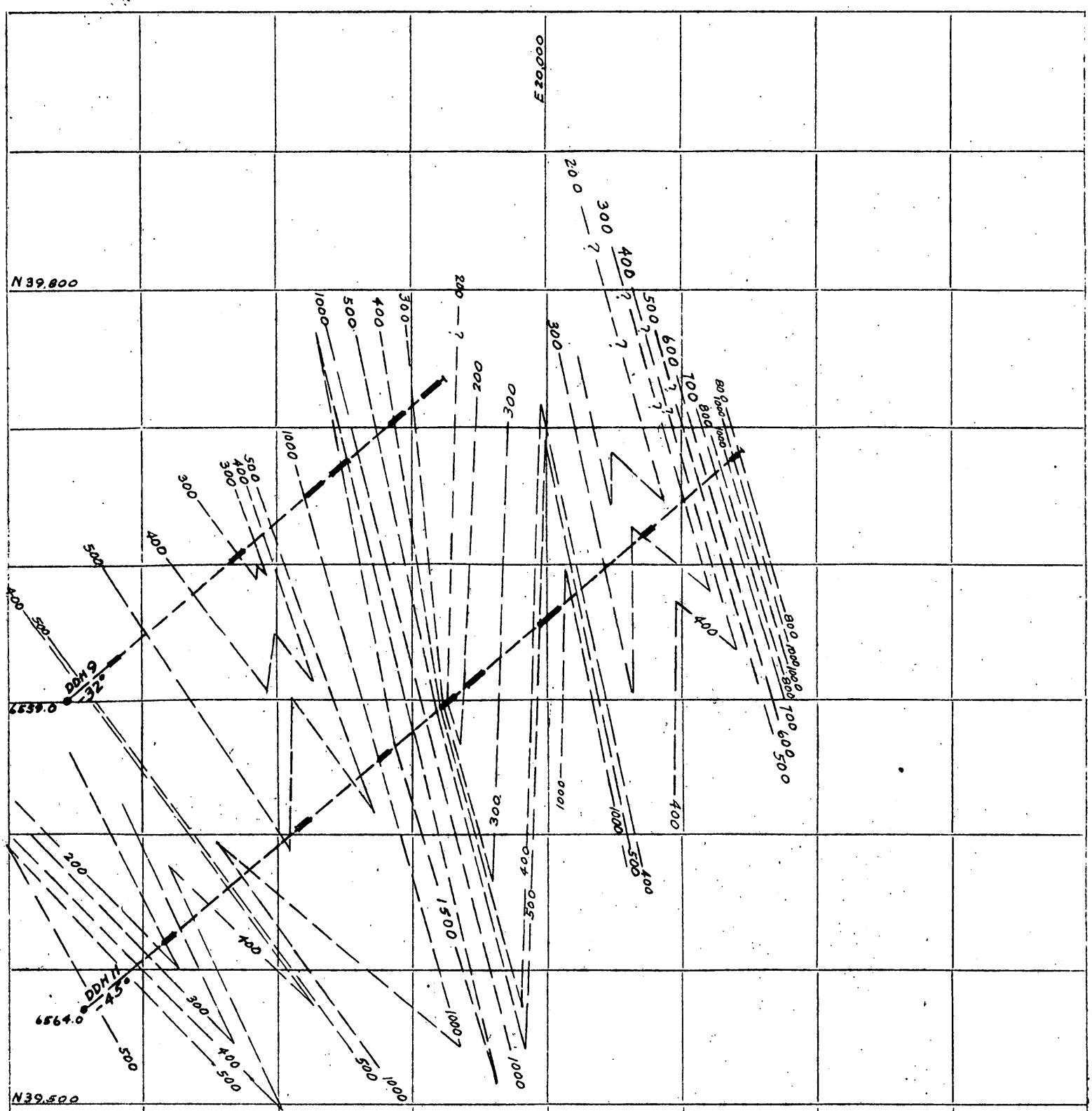
Explanation

Vein Zone
Mineralized (mostly pyrite) shear or breccia

——100——
Contours on horizontal projection
Lead + Zinc (PM + Cu) in ppm

Plate 24-LZ

5-50



Sidney Mining Company

TRACE ELEMENTS
IN DIAMOND DRILL HOLES
COOK GROUP

Owyhee County, Idaho
Scale: 1" = 50'
May 1967 MCB

Explanation

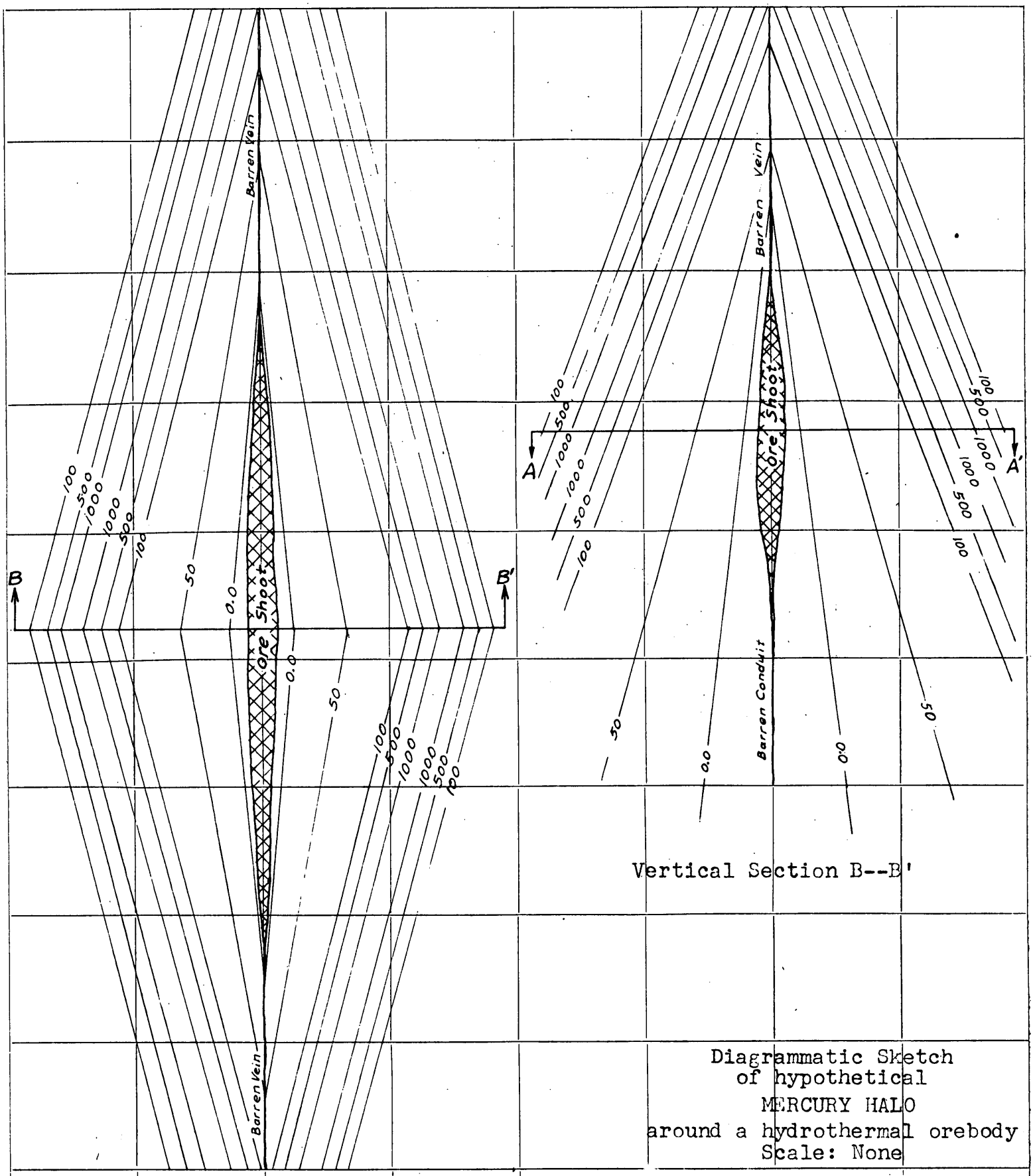
Vein Zone
Mineralized (mostly pyrite) shear or breccia

---100---

Contours on horizontal projection
Mercury in ppb

Plate 24-M

SHANNON & CO.—ALBANENE



Vertical Section B--B'

Horizontal Section A--A'

Diagrammatic Sketch
of hypothetical
MERCURY HALO
around a hydrothermal orebody
Scale: None

Contours: Mercury in ppb
6 June 1967 M. C. Brown

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

JUN 14 1967

OFFICIAL
COPY
O. M. E.
RECEIVED
JUN 20 1967

Memorandum

To: Director, U. S. Geological Survey

From: Assistant Director, Contract and Grant Audit
Audit Operations, Office of Survey and Review

Subject: Review of Contract 2215
Docket No. OME-6481 (Gold-Silver)
Sidney Mining Company (Operator)
Cook Claims
Owyhee County, Idaho

Pursuant to a request dated April 21, 1967, from the Chief, Office of Minerals Exploration, we have made a cost review of Contract 2215, examining the contract and accounting records and files of OME and the Branch of Budget and Finance, U.S. Geological Survey. Four copies of the report of review are attached.

The exploration work provided for in this contract has not been completed and has been suspended during a period ending not later than July 1, 1967. The review disclosed that $200.00 has been withheld from settlements made with the Operator pending resumption of the work or termination of the contract. The review also indicated that the Operator has been underpaid $469.13 representing the Government's portion of exploration costs already incurred and improperly withheld from monthly settlements.

Donald R. Moyer

Enclosures

MME FORM 6
REV. 2-5

REFERENCE SLIP
OFFICE OF MINERALS EXPLORATION

TO: Chief, OME

1. Re: OME-6481 (Gold-Silver)
2. Sidney Mining Company
Cook Claims
Owyhee County, Idaho
3. Contract 2215
4. D. R. MacLaren
5. D. R. MacLaren
FROM: Field Officer, Reg. I

DATE	INITIALS
3/13/67	
O. M. E. RECEIVED MAR 15 1967	
INITIALS CODE	
	ala
	170
	70
HK	120K

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: Attached are the Government and Budget and Finance copies of Amendment No. 4 to the above-cited contract.

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

M56300-62

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
February 23, 1967

Mr. M. C. Brown, President
Sidney Mining Company
First Security Building
Kellogg, Idaho 83837

Re: OME-6481 (Gold-Silver)
Cook Claims
Owyhee County, Idaho
Contract 2212

Dear Mr. Brown:

With our letter of January 24, 1967, we sent you the original and three copies of a proposed Amendment No. 4 (2 pages) to the subject contract, signed for the Government by the Chief, Office of Minerals Exploration.

We also reviewed for you the contract costs that according to our records have been exhausted or nearly so, and those funds remaining that could be applied to the cost of drilling Hole 10.

If the proposed amendment is satisfactory to you, kindly sign all copies, retain the Operator's copy, and return the other copies to this office.

If the amendment is not satisfactory, please return all four copies unsigned to this office with a statement of your proposed changes for consideration.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

DRMacLaren/mls

cc: OME
Voucher File
MacLaren
Director's Reading File

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
January 24, 1967

OFFICIAL COPY
O. M. E.
RECEIVED
JAN 27 1967
INITIALS | CODE

Mr. M. C. Brown, President
Sidney Mining Company
First Security Building
Kellogg, Idaho 83837

Re: OME-6481 (Gold-Silver)
Cook Claims
Owyhee County, Idaho
Contract 2212

Dear Mr. Brown:

Enclosed are the original and three copies of a proposed Amendment No. 4 (2 pages) to the subject contract, signed for the Government by the Chief, Office of Minerals Exploration.

If the proposed amendment is satisfactory to you, please sign all four copies, retain the Operator's copy, and return the other copies to this office.

If the amendment is not satisfactory, please return all copies unsigned to this office with a statement of your proposed changes for consideration.

I have just completed processing your November-December 1966 voucher and note that the maximum contract provisions for the following items appear to have been reached:

Supervision - 3 mos. at $750/mo	- $2,250.00 ($2,269.60 claimed)
FICA, etc., at 15% (rounded)	- $ 332.94 (14.797% claimed)
Drill mobilization and demobilization	- $1,200.00 ($1,200.00 claimed)
Sample sacks - 160 at $0.25 each	- $ 40.00 (186 sacks - $46.50 claimed)
Assays, 80 assays at $3.00	- $ 240.00 (93 samples - $279.00 claimed)

Except for drilling overburden, for which only 5 feet remain unused, there still appears to remain available for Government participation the cost of core drilling, reaming, casing, cementing, redrilling cement, additives (cement) and incidental allowance, but all costs for the five items of work itemized above will have to be for company account. Thus, you could not expect to receive, as Government

contribution to the cost of drilling hole 10, more than some $3,700, the exact amount depending on the invoiced costs. Also, unless hole 10 encounters structures showing very much higher values and considerably more promise than has any of the work to date, the Government could not contribute to the cost of any additional drilling under this contract.

You may be aware of this situation, but I thought it best to call it to your attention at this time for your consideration before accepting the enclosed amendment. Should you, upon reflection, decide not to proceed with drilling hole 10, you should request, in your letter returning the unsigned copies of the amendment, that the contract be terminated.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

Enclosures

DRMacLaren/mls
cc: OME(2)
Voucher File
MacLaren

Director's Reading File

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
1/17	Johnson	100
		~~120~~
		~~220~~
1/18	Ridgeway	
1/18	Ryan	
1/19	Cil	210
		100M

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6481 (Gold-Silver)
Sidney Mining Company
Cook Claims
Owyhee County, Idaho
Contract 2215

Enclosed are the original and three copies of a proposed Amendment No. 4 (2 pages) to the subject contract, signed for the Government. Also enclosed is an extra copy for field use.

If the proposed amendment is satisfactory to you and the Operator, all four copies should be signed by an authorized representative of the Operator. Thereafter, please distribute the copies in the usual manner.

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

FRANK E. JOHNSON

Frank E. Johnson

Enclosures

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
130

MMerrithew/mm (1/16/67)

23263

REFERENCE SLIP

2-59 OFFICE OF MINERALS EXPLORATION

		DATE	INITIALS
1.	Assoc. Dir. MR, Rm. ~~6554~~ 3192 Through Rm. 6042		
2.	120M Room 4459 B-66-2051.11		
3.	INTERIOR DEPT.		
4.	JAN 11 1967		
5.	SOLICITOR		
FROM:	Chief, OME		

FOR: Check items for action desired

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

REMARKS:

RECEIVED
JAN 1 3 1967
Division of Mineral Resources
and General Legal Services

FROM SOLICITOR
JAN 1 3 1967
FOR SIGNATURE

INT.-DUP. SEC., WASH., D.C. M56300-62

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
130
Merritt:dev:pm (1/16/67)

Government's Copy

Revised

EXPLORATION CONTRACT
SIDNEY MINING COMPANY
OME-6481

Amendment No. 4

It is agreed this _____ day of _____, 1967, between the United States of America acting through the Department of the Interior, U. S. Geological Survey, hereinafter referred to as the "Government", and Sidney Mining Company, hereinafter referred to as the "Operator", that Exploration Contract No. 2215 (OME-6481), dated February 28, 1966, as amended, is further amended effective December 1, 1966, as follows:

Aug 27, 1966

1. (a) Work under the contract shall be suspended during the period beginning December 17, 1966, and ending not later than July 1, 1967.

(b) No costs incurred by the Operator during the period of the suspension shall be allowable for contribution by the Government.

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

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

2. The time fixed for completion of the work is extended from six (6) to eighteen (18) months from the date of the contract or to August 28, 1967.

3. The maximum period for royalty payments and for the lien to secure payments thereof provided for in the contract is extended from ten (10) to eleven (11) years from the date of the contract.

This amendment shall not be construed to change the estimated total cost of the contract, the aggregate amount which the Government may be required to contribute, the amount of any category designated as a maximum, nor the fixed unit cost of any item of work.

draft
FEJohnson/bi

(On original to
Legal)
FEJ
120 - HK
110 -
140

EXPLORATION CONTRACT
SIDNEY MINING COMPANY
OME-6481

AMENDMENT NO. 4

It is agreed this _____ day of _____ 1967, between the United States of America acting through the Department of the Interior, U. S Geological Survey, hereinafter referred to as the Government," and Sidney Mining Company, hereinafter referred to as the "Operator," that Exploration Contract No. 2215 (OME-6481), dated February 28, 1966, as amended, is further amended effective the date of the contract as follows:

8/27/66

1. (a) Work under the contract shall be suspended during the period beginning December 17, 1966, and ending not later than July 1, 1967.

(b) No costs incurred by the Operator during the period of the suspension shall be allowable for contribution by the Government.

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

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

2. The time fixed for completion of the work is extended from six (6) to eighteen (18) months from the date of the contract or to August 28, 1967.

3. The maximum period for royalty payments and for the lien to secure payments thereof provided for in the contract is extended from ten (10) to eleven (11) years from the date of the contract.

This amendment shall not be construed to change the estimated total cost of the contract, the aggregate amount which the Government may be required to contribute, the amount of any category ~~item~~ designated as a maximum, nor the fixed unit cost of any item of work.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
Chief, Office of Minerals Exploration
U. S. Geological Survey

SIDNEY MINING COMPANY

By _____

Title _____

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
January 4, 1967

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: OME-6481 (Gold-Silver)
Sidney Mining Company
Cook Claims
Owyhee County, Idaho
Contract 2215

The enclosed Thermo-Fax copies of a letter dated December 28, 1966, request a period of recess starting December 17, 1966, and an extension of the contract period to July 1, 1967.

Work under the contract was started May 31, 1966, and has been pushed as diligently as possible by the Operator, in view of many unforeseeable difficulties encountered.

I have only now checked the termination date provided in the contract which is set at 6 months from the date of the contract or August 28, 1966. That the Operator also appears to have overlooked this fact is probably due to his concentration on trying to get the job done in accordance with the terms of Exhibit A and the erroneous concept that he had 6 months from the time he started to work. This is an assumption on my part, but it is based on the remarks of several other operators when it has been callled to their attention that the contract period begins with the date of the contract rather than the date work was started.

It is unfortunate that the Operator was unable to complete the final hole 10 this season. However, since the drilling of hole 10 presents the one last chance of this project being successful, and as long as the Operator is willing to assume the full cost, if any, of demobilizing for the winter and remobilizing in the spring, his request is reasonable. Last year he was able to start work May 31; Continental Quicksilver (OME-6455) was able to start work on an adjacent property May 4. It required half of December to drill hole 11 to a depth of about 390 feet. The remaining hole may be drilled as deep as 450 feet requiring a few more days.

It is recommended that an amendment be prepared to extend the contract period from 6 months to 17 months from the date of the contract or to July 28, 1967, and to authorize a period of recess from December 17, 1966, to on or before June 1, 1967.

D. R. MacLaren

Enclosures

President
Vice President
Secretary-Treasurer

Sidney Mining Company

FIRST SECURITY BUILDING
KELLOGG, IDAHO
83837

MME FORM 6 REFERENCE SLIP

REV. 9 OFFICE OF MINERALS EXPLORATION

TO: Chief, OME

DATE & INITIALS

12/12/66

1. Re: OME-6481 (Gold-Silver)

2. Sidney Mining Company
Cook Claims

3. Owyhee County, Idaho
Contract 2215

4. D. R. MacLaren

5. D. R. MacLaren

FROM: Field Officer, Reg. I

COPY
O. M. E.
RECEIVED
DEC 14 1966

INITIALS CODES

	~~120 M~~
	110
HK	120R

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: Attached are the Government and Budget and Finance's copies of Amendment No. 2 to the above-cited contract.

INT.-DUP. SEC., WASH., D.C. M56300-62

OME

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
December 5, 1966

OFFICIAL COPY
O. M. E.
RECEIVED
8 1966
~~120 M~~
~~110~~
120 K

Mr. M. C. Brown, President
Sidney Mining Company
P. O. Box 21
Jordan Valley, Oregon 97910

Re: OME-6481 (Gold-Silver)
Cook Claims
Owyhee County, Idaho
Contract 2215

Dear Mr. Brown:

Enclosed are the original and three copies of a proposed Amendment No. 3 (1 page) to the subject contract signed by the Chief, Office of Minerals Exploration, for the Government.

If the proposed amendment is satisfactory to you, please sign all four copies, retain the Operator's copy, and return the other copies to this office.

If the amendment is not satisfactory, please return all copies unsigned to this office with a statement of your proposed changes for consideration.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

Enclosures

MLSmelser/mls

cc: OME
MacLaren

Director's Reading File

OFFICIAL FILE COPY

Date	Surname	Code
11/30	Johnson	110
11/30/66	Kirkham	120
12/2	Cole	220
11/29	Kilgaard	
12/1	Kenyon	
		MOM

DEC 2 1966

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6481 (Gold-Silver)
Sidney Mining Company
Cook Claims
Owyhee County, Idaho
Contract 2215

Enclosed are the original and three copies of a proposed Amendment No. 3 (1 page) to the subject contract, signed for the Government. Also enclosed is an extra copy for field use.

If the proposed amendment is satisfactory to you and the Operator, all four copies should be signed by an authorized representative of the Operator. Thereafter, please distribute the copies in the usual manner.

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

FRANK E. JOHNSON

Frank E. Johnson

Enclosures

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
130

MMerrithew/mm (11/30/66)

23263

MME FORM 6
REV. 2-59

REFERENCE SLIP

OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. ~~Assoc. Sol.--MR, Rm. 6554 Through Rm. 6042~~		
2. Miss Merrithew (Mr. Johnson) OME		
3.		
4.		
5.		
FROM: Chief, OME		

FOR: Check items for action desired

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

REMARKS: B-66-2051.11

FROM SOLICITOR
NOV 9 1966
FOR SIGNATURE

INTERIOR DEPT.
NOV 25 1966
SOLICITOR

RECEIVED
NOV 28 1966
Division of Mineral Resources
and General Legal Services

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

M56300-62

~~110~~ ~~120~~ HK

11/23/66 DRAFT
FEJohnsongla

120M

EXPLORATION CONTRACT
SIDNEY MINING COMPANY
OME-6481

AMENDMENT NO. 3

It is agreed this _____ day of _____, 1966, between the United States of America acting through the Department of the Interior, U. S. Geological Survey, hereinafter referred to as the "Government," and Sidney Mining Company, hereinafter referred to as the "Operator," that Exploration Contract No. 2215 (OME-6481), dated February 28, 1966, as amended, is further amended effective the date of the contract as follows:

In Exhibit A:

1. Under the heading Description of the Work, the last paragraph is deleted and the following paragraph substituted therefor:

Depending upon the results of the trenching, not to exceed sixteen diamond core holes at sites selected by mutual agreement between the Operator and the Government shall be drilled to depths of approximately 200 feet. Where topographic considerations and/or effects of oxidation warrant, no more than three of these holes may be drilled to depths not to exceed 450 feet.

2. Under the heading Estimated Cost of the Work, Actual Costs, Category (1) Independent Contracts, Drilling, the fourth item is deleted and the following items substituted therefor:

Reaming, 200 feet @ $2.50/foot	$ 500.00
Casing, 1,200 feet @ $1.25/foot 1/	1,500.00

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

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Chief, Office of Minerals Exploration
U. S. Geological Survey

SIDNEY MINING COMPANY

By_____

Title_____

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
November 16, 1966

OFFICIAL
COPY
O. M. E.
RECEIVED
NOV 18 1966
CODE
120
110

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: OME-6481 (Gold-Silver)
Sidney Mining Company
Cook Claims
Owyhee County, Idaho
Contract 2215

With reference to our telephone conversation of November 16, 1966, the enclosed letters of November 10 and 14, 1966, with drill logs and sample returns from the Operator, are self-explanatory. Also enclosed is our reply to the cited letters.

All of the holes authorized in our Work Authorization dated August 23, 1966, have been completed with the exception of Holes #10 and #11, and the assays of samples taken in the better mineralized zones have been most discouraging. However, the weak mineralization shown in Trenches 1 and R remains to be tested below the zone of heavy oxidation to which Hole #9 was limited. Hole #11, now drilling, and the deeper Hole #10 (or 10-A) requested by the Operator present one last hope of this project being successful.

To summarize the entire project:

1. Soil samples indicated potentially anomalous areas between two formerly producing districts.

2. Trenching in four of the more promising anomalous areas disclosed zones of hydrothermal alteration containing low silver values.

3. To test these areas at projected vein depths ranging from 90 to 280 feet near Trench 6; 75 to 220 feet near Trench 4; and from 90 to 240 feet near Trench R. In all seven holes have been diamond drilled and the eighth hole is being drilled. The Operator's request to drill Hole #10 to a depth of 425 feet will extend the testing near Trench R to a depth between 200 and 300 feet, depending upon direction of the dip of the structure.

It is concluded that the Operator's request should be approved to complete testing below the zone of oxidation in this area.

In the Work Authorization of August 23, it was expedient and reasonable based on topographic considerations to authorize Hole #3 to a depth of 345 feet and Hole #11 to a depth of 390 feet. That these depths exceeded the contract specification that hole depths be "approximately 200 feet" was inadvertently overlooked.

It is recommended that the final paragraph on page 3 of Exhibit A be amended to read somewhat as follows:

> "Depending upon the results of the trenching, not to exceed sixteen diamond core holes shall be drilled at sites selected by mutual agreement between the Operator and the Government. Most of the holes shall be drilled to depths up to approximately 200 feet. However, where local topographic considerations warrant it and/or oxidation is found to be deeper than expected a few holes may be drilled deeper, but the total amount of drilling shall not exceed 3,200 feet. The locations, directions, attitudes, and depths of all drill holes shall have prior approval of the Government."

Great Lakes marked!

D R MacLaren

D. R. MacLaren

Enclosures

OME(2)

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COPY
O. M. E.
RECEIVED
NOV 18 1966

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
November 16, 1966

Mr. M. C. Brown, President
Sidney Mining Company
P. O. Box 21
Jordan Valley, Oregon 97910

Re: Work Authorization
OME-6481 (Gold-Silver)
Sidney Mining Company
Cook Claims
Owyhee County, Idaho
Contract 2215

Dear Mr. Brown:

This refers to your letters of November 10 and 14, 1966, relative to changes in costs and specifications set forth in Exhibit A of the above-cited contract.

Referring to the body of the contract, Article 6(a), Category (1) Independent Contracts, the category total of $36,366.00 and the average unit cost estimated for each type of work, in this case $12.40/ft. for drilling overburden and $5.00/ft. for reaming and casing, are maximums. Therefore, up to 104 feet of overburden could be claimed at a cost of $9.50/ft. Also, 200 feet of reaming at $2.50/ft. and 1,200 feet of casing at $1.25/ft. could be claimed, but your narrative reports should explain how it was possible to emplace casing in excess of the number of feet of reaming. No amendment is necessary for this purpose.

The contract specifies that "holes shall be drilled to depths of approximately 200 feet." A leeway of up to 10 percent for a given hole is usually considered as approximate. Therefore, an amendment will be required before authorization could be given to drill Hole #10 to a depth of 425 feet. It also appears that I erred in the Work Authorization of August 23, 1966, in authorizing that Hole #3 could be drilled to 345 feet and Hole #11 to 390 feet. An amendment will be requested to permit the drilling of some of the holes to depths greater than "approximately 200 feet."

Although I anticipate no difficulty in securing the amendment, until it has been approved and executed, any drilling of Hole #10 in excess of the 210 feet authorized for Hole #10 will be at the company's risk. The proposed changes in the location of the drill station, the bearing and the inclination of Hole #10 is hereby authorized.

From the showing found in the holes already completed, Hole #10 as you propose to drill it appears to offer one last chance of finding some encouragement for additional work.

Sincerely yours,

D. R. Maclaren
Field Officer, OME
Region I

DRMaclaren/mls

cc: OME(2)
Voucher File
Maclaren
Director's Reading File

One (2)

Sidney Mining Company

102 Weber Bank Building
KELLOGG, IDAHO
83837

14 November 1966

Mr. D. R. MacLaren, Field Officer
Office of Minerals Exploration
South 157 Howard Street
Spokane, Washington 99204

Re. E-0481 (Gold-Silver)
Sunk Claims
Owyhee County, Idaho
Contract 2212

Dear Mr. MacLaren:

In the Trench1-Trench R area DDH9 was drilled down at 90° for 215.5 feet in very badly broken basalt laced by a stockwork of iron oxides with subordinate manganese oxide (?). Because of the complete oxidation we are unable to identify even the primary iron sulfides, and it is almost certain that any other metallic minerals that may have been present have been leached out.

This complete oxidation persists to the bottom of the hole, about 125 feet vertically below the surface. We do not know how much deeper it extends, but a depth of 150 feet would represent about a 55 gradient from the intermittent creeks lying both east and west of the site.

The log of DDH 9 has already been sent to you and we are enclosing herewith the assay certificate together with plan and profile sketches, Plates 17X and 18X. With the meager data presently available, attempts to correlate sample C13-11 in Trench R with either the 186'-1[illegible] or the 201'-208' zones in DDH 9 suggest that the strike and dip may lie in the zone between N 30° W dipping 80° W and N 40° W dipping 80° E, as illustrated on the Plates 17X and 18X.

DDH 11, now being drilled, will penetrate this zone possibly below the level of oxidation, but we believe that DDH 10, whose cross section would essentially duplicate that of DDH 9, would be of little value. Therefore, we are proposing an alternate in lieu thereof (DDH 10A on the sketches), to be drilled down 40° bearing N 80° E from the same site as DDH 11, in the absence of another suitable drill site.

Because we believe it to be very important to get below the oxidized zone to obtain information of significant value, we hope that you will approve this change in the work plan.

Yours very truly,

M. C. Brown
President

RECEIVED
[illegible] 10 1966

Owe (2) 4

M. C. BROWN, President
E. K. BARNES, Vice President
BEN SAMCK, Secretary-Treasurer

Sidney Mining Company

102 Weber Bank Building
KELLOGG, IDAHO

10 November 1966

Mr. D. R. MacLaren, Field Officer
Office of Minerals Exploration
South 157 Howard Street
Spokane, Washington 99204

Re: OME-6081 (Gold-Silver)
Cook Claims
Owyhee County, Idaho
Contract 2212

Dear Mr. MacLaren:

The depth of overburden in the Trench 4 and Trench R areas has been found to be greater than anticipated and the broken and ravelly nature of the rock is requiring an unusually high proportion of casing. Because we have obtained from the driller lower unit costs than were specified in the above contract, we propose the following amendments under the drilling category.

Overburden, 104 feet @ $9.50/foot	$988.00
Reaming, 200 feet @ $2.50/foot	500.00
Casing, 1200 feet @ $1.25/foot	1,500.00

None of these proposals will increase the total cost of the contract, the aggregate amount which the Government may be required to contribute, the cost of any item designated as a maximum, nor the fixed unit cost of any item of work.

Yours very truly,

M. C. Brown

M. C. Brown
President

MCB:hs

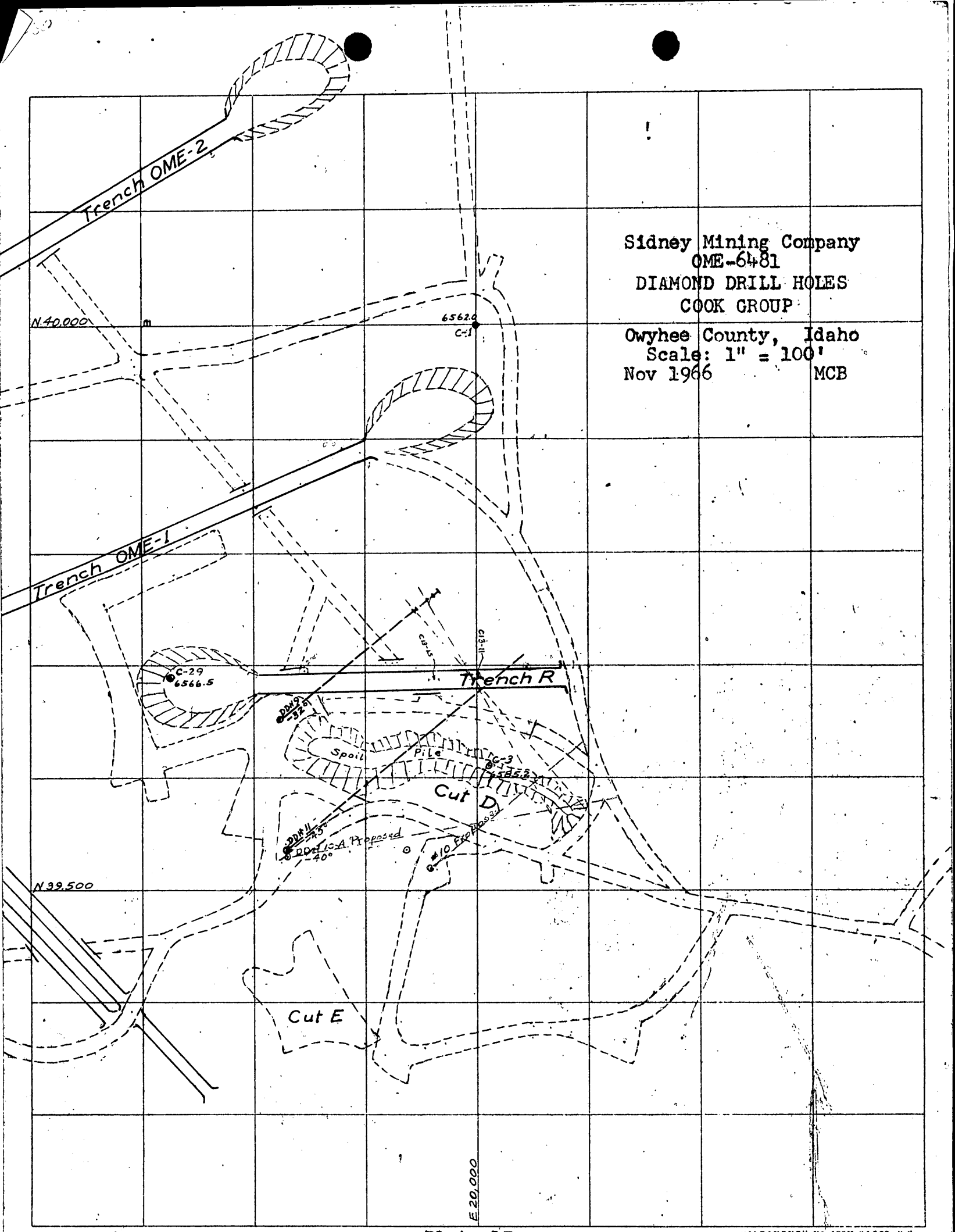
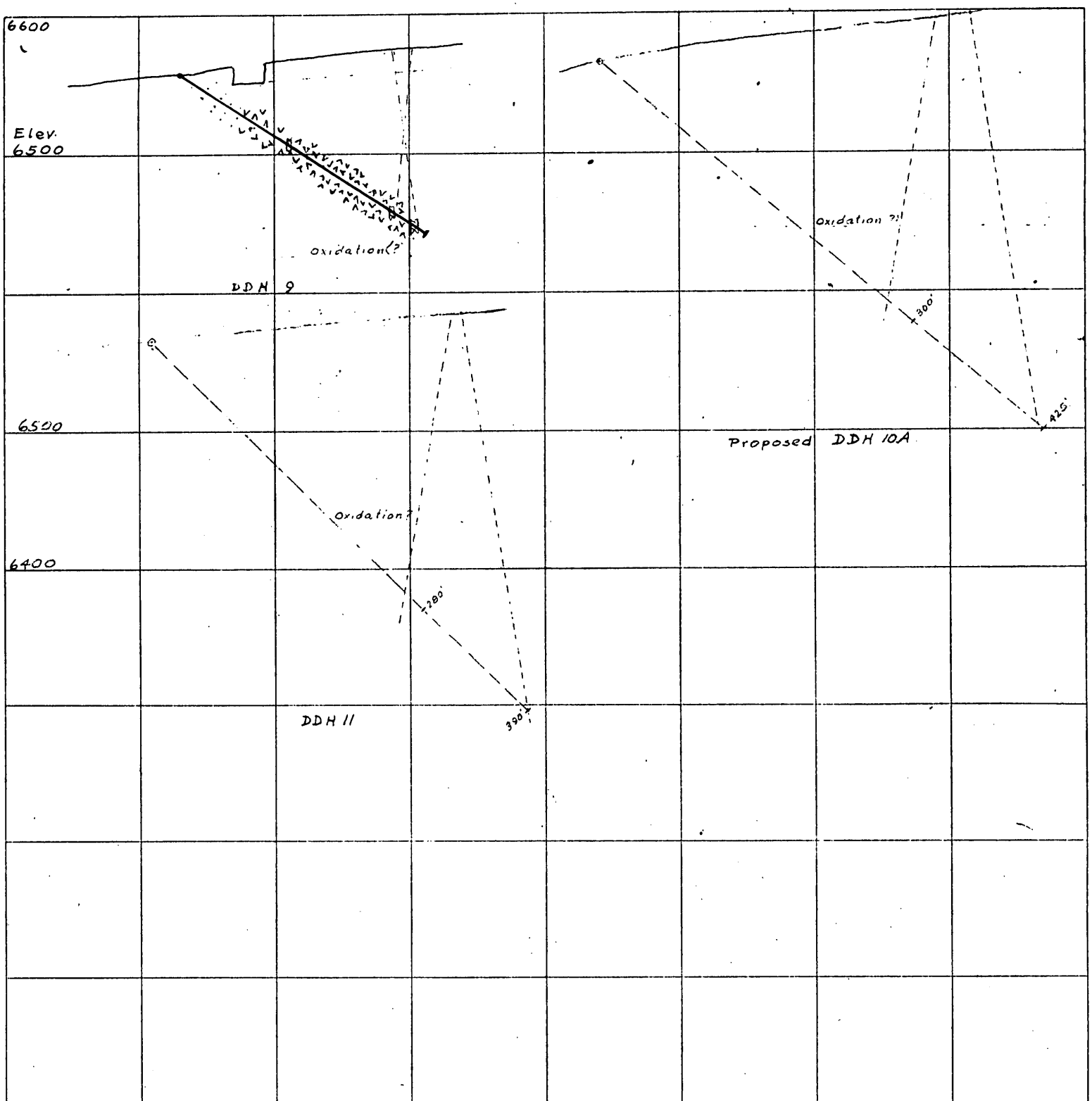


Plate 17X

"ALBANENE" No. 196M K&E CO., N.Y.
REG. U.S. PAT. OFF

RECEIVED
Via
NOV 15, 1965
Air Mail
OMB
MAIL ROOM



Sidney Mining Company
OME-6481
CROSS SECTIONS
in the planes of
DIAMOND DRILL HOLES

COOK GROUP
Owyhee County, Idaho
Scale: 1" = 100'
Nov 1966 MCB

EXPLANATION

Vein Zone. Bedrock is all basalt.

Hydrothermal Alteration
Intensity indicated by pattern density
Propylitic-argillic

Silicic-feldspathic

Plate 18X

"ALBANENE" No. 195M K&E CO., N.Y.
REG. U.S. PAT. OFF.

RECEIVED
via
NOV 15, 1966
air mail
OMI

T. G. DEGGENDORFER
SHIPPERS REPRESENTATIVE
CHEMIST-ASSAYER
Kellogg, Idaho

K. C. HAIGHT
CHEMIST-ASSAYER
606 W. CAMERON AVE.
KELLOGG, IDAHO 83837

Mr. Malcom Brown
Box 21
Jordon valley
Oregon

Samples Marked: Cook OME

CERTIFICATE of ASSAY November 10,1966

LOT NUMBER SMELTER	LOT NUMBER MINE	CARS	PER TON OF 2000 LBS. OZS. GOLD	PER TON OF 2000 LBS. OZS. SILVER	PERCENT LEAD	PERCENT ZINC	PERCENT COPPER	PERCENT IRON	PERCENT ANTIMONY	PERCENT ARSENIC	PERCENT CADMIUM	PERCENT	PERCENT
DDH-9	Core	83.5- 86.4	Nil.	0.004									
"	"	94.1- 98.0	Nil.	0.006									
"	"	118.4- 122.4	Nil.	0.004									
"	"	128.2- 132.2	Nil.	0.003									
"	Sludge	137.5- 142.0	Nil.	0.003									
"	Core	153.0- 157.8	Nil.	0.002									
"	"	177.5- 180.5	Nil.	0.004									
"	"	186.5- 191.4	Nil.	0.006									
"	Sludge	201.3- 208.0	Nil.	0.008									

K. C. Haight

RECEIVED
Via
NOV 15, 1988
Air mail

Mr. Malcom Brown
Box 21
Jordon Valley
Oregon

~~I. G. DEGGENDORFER~~
SHIPPERS REPRESENTATIVE
CHEMIST ASSAYER
~~P. O. Box 849~~ -- Kellogg Idaho

K. C. HAIGHT
CHEMIST-ASSAYER
105 W. CAMERON AVE.
KELLOGG, IDAHO 83837

Samples Marked: Cook OME

CERTIFICATE of ASSAY November 2, 1966

LOT NUMBER SMELTER	LOT NUMBER MINE	CARS	PER TON OF 2000 LBS. OZS. GOLD	OZS. SILVER	PERCENT LEAD	PERCENT ZINC	PERCENT COPPER	PERCENT IRON	PERCENT ANTIMONY	PERCENT ARSENIC	PERCENT CADMIUM	PERCENT	PERCENT
DDH-7	67.0	- 69.0	Nil	Nil.									
"	69.0	- 71.0	Nil.	0.004									
"	145.3	- 147.3	Nil.	0.006									
"	153.4	- 155.4	Nil.	0.006									
"	205.2	- 207.2	Nil.	0.004									
"	207.2	- 209.2	Nil.	0.002									
DDH-8	25.0	- 26.5	Nil.	0.003									
"	26.5	- 29.5	Nil.	Nil.									
"	29.5	- 32.0	Nil.	0.004									

OFFICIAL COPY
O. M. E.
RECEIVED
NOV 18 1966

K. C. Haight

Mr. Malcom Brown
Sidney Mining Co.

~~T. G. DEGGENDORFER~~
SHIPPERS REPRESENTATIVE
CHEMIST-ASSAYER
~~P. O. Box 840~~ -- Kellogg, Idaho

K. C. HAIGHT
CHEMIST-ASSAYER
606 W. CAMERON AVE.
KELLOGG, IDAHO 83837

October 20,1966

Samples Marked: CooK OME DDH-8

CERTIFICATE of ASSAY

LOT NUMBER SMELTER	MINE	CARS	PER TON OF 2000 LBS. OZS. GOLD	OZS SILVER	PERCENT LEAD	PERCENT ZINC	PERCENT COPPER	PERCENT IRON	PERCENT ANTIMONY	PERCENT ARSENIC	PERCENT CADMIUM	PERCENT	PE
Sludge	49.0 -	52.6	Nil.	Trace									
Sludge	52.6 -	57.7	Nil.	Nil.									
Core	84.4 -	87.2	Nil.	Nil.									
Core	95.5 -	97.5	Nil.	Nil.									
Core	101.4 -	102.8	Nil.	0.002									
CORE	105.2 -	107.2	Nil.	0.001									
Core	155.7 -	157.7	Nil.	0.002									
Core	161.0 -	163.0	Nil.	0.001									
Core	163.0 -	164.9	Nil.	0.001									
Core	164.9 -	166.9	Nil.	0.001									
Core	178.5 -	180.8	Nil.	Nil.									

K C Haight

[illegible]

[illegible]

CHEMIST-ASSAYER

K. C. HAIGHT
CHEMIST-ASSAYER
606 W. CAMERON AVE.
KELLOGG, IDAHO 83837

Sample Marked Cook OME DDH5

Con Sidney Mining Co.

COPO	PER TON 2000 LBS.		PER CENT LEAD	PER CENT ZINC	PER CENT COPPER	PER CENT IRON	PER CENT CADMIUM	PER CENT	PER CENT	PER CENT	PER CEN
	OZS. GOLD	OZS. SILVER									
34-36.0	nil	0.001									
75-76.6	nil	0.002									
89.5-91.5	nil	0.004									
UMPIRE											
SETTLEMENT											

Remarks:

Umpire

Kellogg, Idaho Oct. 12 / 1966

K. C. Haight

ASSAYER

SIDNEY MINING COMPANY

Mine Cook
Location Surface: 30' from N.40924, E.22,821, Elev. 6201.2, N85°E
Hole Number DDH 5

Date 10 Oct 1966
Sheet 1
By MCB

0-10.0, Plugged; 10.0-22.0, NC; 22.0-230.0, NX

9 Core Boxes

Rock and Alteration		Mineralization		Core Recovery	
0-10.0	Overburden: Alluv. & Colluv.	33.5-36.5	Bxx (?) w/ lenses & strings of brn. Feox.	10.0	100 %
10.0-12.5	Hard dk gry, slightly alter bas.	75.0-76.6	Soft lt. gry alter. bas. w/ dissem. & lenses of "dirty" py. (Some looks almost like pyrr.) and blk. sooty min.	16.0	100 %
12.5-14.0	Badly broken dk gry bas. w/ much brn Feox on all fractures	83.0-83.3	Narrow zones where calc. blebs have been leached, leaving empty cavities. No py. observed but there are also abund. cubic cavities.	22.0	100 %
14.0-15.0	6" brn. gouge crush + 6" bxx	85.0-85.3		31.5	79 %
15.0-32.5	Mostly dk gry partly alter bas. w/ sparse blebs & strings of calc. & chlorite.	89.0-92.0	Soft gry alter bas. bxx w/ all calc. blebs leached out. Some cavities lined w/ qtz Xtals and some filled w/ paper-thin qtz(?) lamellae. A few cavities filled w/ dirty py @ 89.0	36.0	100 %
32.5-48.5	Mostly lt gry fairly soft alter. bas. w/ abundant blebs & strings of calc. & chlor. & some epidot.			46.5	100 %
48.5-74.0(?)	Mostly fairly hard lt gry to dk gry partly alter bas. Sparse calc. & chlor.			57.0	100 %
74.0-100.0	Mostly fairly soft lt gry alter bas w/ abundant blebs & strings of calc. & chlor.			64.5	84 %
				75.6	100 %
				85.5	100 %
				95.8	100 %
				100.0	
End of Hole.					

SIDNEY MINING COMPANY

Mine Cook
Location Surface; -45° from N. 41,006, E. 22,750, Elev. 6176.2, N05°E.
Hole Number DDH 7

Date 26 Oct 1966
Sheet 1
By MCB

0-20.0, Plugged; 20.0-42.0, NC; 42.0-230.4, NX.

23 Core Boxes

Rock and Alteration		Mineralization		Core Recovery	
0-20.0	Overburden: Alluv. & colluv. w/large boulders	22.0-25.5	Gouge crush; no metal min. observed	20.0	65%
		32.0	½" calc-chlor string w/dirty py @ 20° to axis.	25.5	100%
20.0-22.0	Blk to grn-brn hard bas.	39.3	½" ditto	36.2	100%
22.0-25.5	Very soft gry to grn alter bas.	41.8	3" lens of similar material	42.0	100%
25.5-36.2	Mostly fairly soft grn-gry alter. bas.	42.4-42.7	Similar veinlet @ 45° from axis	50.1	100%
		67.0-71.0	Bas. bxx & shear w/abundant dissem, blebs & strings of yel. py and blu-gry to brn-gry waxy material. Some chaked	57.8	100%
36.2-38.0	Grn-brn alter bas.			68.1	100%
38.0-56.0	Mostly lt gry alter bas. w/blebs & strings of calc. & chlor.	86.0-87.0	Bxx. No metal. min. observed	78.3	100%
56.0-66.3	Mostly dk gry partly alter bas.	91.5-94.5	Bxx w/much blu-gry wax & wht silic. Some dissem yel. py & gry chaked	88.4	100%
66.3-72.0	Fairly soft lt gry alter bas.	101.2-103.2	Ditto, but less wax	95.3	100%
		112.7-113.7	Shear zone @ 40° (?) from axis w/ dissem yel. py & sooty blk in soft lt gry alter bas.	97.2	100%
72.0-91.5	Mostly lt gry to dk gry partly alter. bas.			105.0	100%
91.5-104.5	Mostly fairly soft lt gry alter. bas. w/sparse calc. & chlor.	143.3-147.3	Soft gry alter bas. w/abundant blebs & strings of blu-gry chaked & tiny dissem yel py xtals & grn-blk specks, probably py.	115.2	100%
104.5-140.0	Mostly lt gry to dk gry partly alter bas.	153.4-155.4	Soft alter. bxx, mostly grn-gry & purplish tings. Much purp. clay & purp. jasp. in lenses & strings. Scanty tiny yel. py & sooty blk.	125.0	100%
140.0-213.0	Mostly lt gry to grn-gry soft alter bas. w/ blebs & strings of calc & chlor	163.3-165.3	Fairly hard bxx w/ lenses & strings of purp. jasp.	135.2	100%
213.0-230.4	Mostly hard dk gry to blk partly altered bas. w/ sparse blebs & strings of calc. & chlorite.	178.5-181.6	Ditto w/ lenses & strings of pur-red hem(?) & dirty py, esp. btwn 179.7 & 180.0	145.3	100%
		190.2-192.2	Ditto, but very scanty py & hem.	155.4	100%
		203.0-205.2	Lt gry alter bas., partly silic. w/ occasional strings of dirty py.	163.3	100%
		205.2-209.1	Fairly soft lt gry alter. bas w/ many lenses & strings of gry to blk sooty min & dirty py. Many blebs & strings of mass qtz. Some ¼" cavities lined w/ tiny qtz xtals. Some thin strings of purp. jasp.	173.6	100%
		209.1-214.0	Lt gry to dk. purp-gry partly alter. bas. w/ sparse lenses & strings of dirty py & purp-red hem(?)	182.9	100%
		227.8-229.4	Fairly hard bxx. w/ sparse lenses & strings of dirty py.	187.0	100%
				196.0	100%
				205.0	100%
				215.0	100%
End of Hole				225.4	100%
				230.4	

SIDNEY MINING COMPANY

Mine Cook
Location Surface; -40° from N.40,787, E.22,774, Elev. 6197.0, N.85°E.
Hole Number DDH 8

Date 14 Oct 1966
Sheet 1
By MCB.

0-10, Plugged; 10.0-29.9 NC; 29.9-206.0 NX

20 Core Boxes

Rock and Alteration		Mineralization		Core Recovery			
0-10.0	Overburden: Alluv. & Coll. w/ large boulders	16.0-20.5	Brn Feox on frac. surfaces & some gal. py dissem & blebs	10.0	100 %	158.8	100 %
10.0-13.0	Dk. gry slightly alter bas	25.0-32.0	Lt gry clay, very soft but breaks w/ even frac., w/ paper-thin sub-parallel bands of gry qtz (?). Looks like Piper & Laney Plate IX A. Wall (?) @ 40° to axis	13.0	90 %	164.1	100 %
13.0-16.0	Mostly lt gry, fairly soft alter. bas. w/ blebs & strings of calc, chlor. & sparse epidote (?). Core breaks @ 50°			21.5	90 %	174.4	
16.0-20.5	Harder, partly silic (?) lt gry alter. bas, badly broken, w/ brn. Feox on frac. surfaces & some py dissem. & blebs.	49.0-57.7	Mostly gougy crush w/ py dissem. & veinlets @ 40°	29.9	70 %	184.7	
		72.1-72.9	Gougy crush w/ sparse gal py.	32.0	100 %	194.0	
		84.4-87.2	Shear & gougy crush w/ much dissem py & other metallic (?) minerals.	38.0	100 %	203.5	
20.5-21.5	Gougy crush w/ dissem py	94.4-97.5	Silicified w/ lenses of purplish jasperoid & strings of sooty blk. Some tiny blebs of resin-like mineral.	41.5	77 %	206.0	
21.5-25.0	Badly broken lt gry alter bas. Partly bxx (?)			49.0	80 %		
25.0-32.0	Mostly very soft lt grn-gry clay			52.6	50 %		
32.0-44.2	Lt gry fairly hard alter bas, partly bxx (?), w/ blebs & stringers of calc. & dk. gry chlor (?) & very sparse py.	101.4-102.8	Silic. bas. bxx w/ sparse dissem. py, lenses & strings of wht marcasite (?) & grn-blk & sooty minerals.	57.7	44 %		
		105.2-107.2	Bas. bxx, partly silic., blebs & strings of grn-blk. Py scanty or absent.	60.0	33 %		
44.2-61.5	Badly broken lt gry alter bas, partly silic (?), w/ veinlets of calc. & dk. gry chlor & lt grn epidot (?)	145.0-145.6	Bas. bxx w/ pink jasperoid	61.5	100 %		
		155.7-157.7	Bas. bxx w/ dk gry, lt gry, or red frags in lt gry matrix w/ dissem & strings of marc (?) & py (?) Much blu-gry chalced.	65.0	100 %		
61.5-74.1	Fairly soft lt. gry alter bas w/ blebs & strings calc & chlor.	161.0-166.8	Lt grn-gry soft alter bas, partly bxx w/ lenses & strings of blu-gry chalced. Py very sparse or absent.	72.9	100 %		
74.1-80.5	Mostly dk gry to blk. partly alter bas w/ sparse blebs & strings of calc. & chlor. & rare py.	178.5-180.5	Gry & grn gry alter bas bxx w/ strings blu-gry chalced, blk min, & py.	74.7	100 %		
		198.3-201.0	Bxx, similar to above	76.4	100 %		
80.5-109.0	Mostly fairly soft lt gry alter. bas. w/ strings of calc & chlor.			84.8	98 %		
109.0-157.8	Mostly dk. gry to blk hard partly altered bas. w/ sparse calc & chlor. Core breaks @ 50°-90°			88.4	100 %		
				92.3	100 %		
157.8-161.1	Fairly soft brn-red alter bas			102.4	100 %		
161.1-201.0	Mostly soft lt gry alter bas w/ mod calc. & chlor & silic. zones			112.5	98 %		
				121.2	100 %		
				125.4	100 %		
				133.0	100 %		
				143.2	100 %		
				148.6	100 %		
201.0-206.0	Fairly hard dk. gry bas. sparse calc & chlor.		End of Hole	158.8			

SIDNEY MINING COMPANY

Mine Cook
Location Surface: -32° from N. 39,650, E. 19,822. Elev. 6559, N.50°E.
Hole Number DDH 9

Date 28 Oct 1966
Sheet 1
By MCB

0-21.0 plugged; 21.0-55.0 NX; 55.0-144.0 NX, 144.0-215.5 BX

18 Core Boxes

Rock and Alteration

0-21.0	Overburden: Alter. w/small boulders
21.0-54.0	Very badly broken mostly mottled lt & dk gry (fairly soft) partly altered bas. Brn-yel to brn to blk Feox on all fracture surfaces.
54.0-57.0	Mostly broken (hard) dk gry partly alter. bas. Much less Feox than above.
57.0-102.0	Mostly badly broken (fairly hard) lt gry to mottled alter bas. w/many thin reticulated Feox strings
102.0-106.0	Same except less broken & less Feox.
106.0-111.0	Same, but more broken
111.0-118.4	Same, but less broken
118.4-122.8	Same, more broken
122.8-125.8	Hard, dk gry, less broken
125.8-159.6	Mostly hard lt gry to mottled alter bas. w/many thin reticulated Feox stringers. 3rd mostly badly broken. Definitely silicified w/qtz.
159.6-176.5	Mostly softer lt gry alter bas w/few sandy sections w/sparse (a little calc.) unox dissem py. and
176.5-197.0	Mostly hard lt gry silic bas.
197.0-210.0	Fairly soft lt gry alter bas. Similar to 159-176. This softer "silicification" may be albite or other feld. rather than qtz.
210.0-215.5	Fairly hard lt to dk gry partly alter bas w/sparse dk brn Feox stringers

Mineralization

24.0(?)-27.3	Gougy crush. w/ much yel- to red brn ox
30.0-36.0	Several zones of gougy crush w/ 1/4" veinlets yel to dk brn Feox @ 25°-40° from core axis
40.0-41.0	Similar to above. Except for less gouge the zone betwn. is very similar.
84.5-86.7	Shear zone w/ much dk brn Feox. Some veinlets @ 10°
94.0-94.5, 95.5-96.5	Gougy crush zones w dk brn Feox
98.0-100.0	Mottled purplish jasperoid w/some dk brn gouge & dk brn to blk-brn Feox veinlets @ 50°
106.8-111.7	Bxx zone w/many lt brn to dk brn strings Feox.
118.4-122.3	Broken zone w/many dk brn Feox veinlets @ 40°-60°
125.8-128.0	Same. Dk brn > lt brn Feox
128.0-132.0	Same. Lt brn > dk brn Feox
135.5-145.0	Very complete crushing. Lt brn > dk brn Feox.
145.0-149.5	Less broken. Lt brn > dk brn Feox.
@ 148.0	Two 1/4" lt brn Feox veinlets @ 50° from axis cross each other @ 80°
@ 148.3	1" & 1/4" similar veinlets @ 25° from axis cross each other @ 130° but their intersection is rotated 90° about the core axis relative to the above set. Similar relations may exist throughout the hole where the core is too badly broken to detect it
153.0-157.8	Very complete crushing. Dk brn > lt brn Feox. Some rd-brn. Feox & jasper (?). Some lead-grn (& grn-yel) coatings & sooty blk spots. Some unox (dirty) py
157.8-177.5	Mod. broken w/ 1/8"-1/2" lt brn Feox veinlets @ 30°-65° from axis.
177.5-180.5	Complete crush. Dk brn > lt brn Feox, some blu-grey & grn-yel coatings
180.5-186.5	Mod. broken w/ lt brn & yel brn > dk brn Feox strings.
186.5-191.4	Complete crush. Lt brn > dk brn Feox some blu-grey & grn-yel coatings.
198.0-208.5	Nearly complete crush. Mineral. similar to 153-157.

End of Hole

Core Recovery

21.0		111.0		187.1				
	50 %		100 %		70 %			
27.3		114.7		188.8				
	90 %		100 %		90 %			
36.5		114.0		193.7				
	65 %		100 %		80 %			
45.4		117.1		196.3				
	38 %		100 %		100 %			
49.2		119.9		199.3				
	55 %		100 %		100 %			
51.8		122.5		201.3				
	100 %		100 %		30 %			
52.8		125.8		205.0				
	100 %		80 %		100 %			
55.0		131.0		210.6				
	[illegible] %		[illegible] %		100 %			
56.5		134.7		213.0				
	100 %		90 %		100 %			
57.8		136.3		215.5				
	50 %		100 %					
61.2		137.5						
	50 %		40 %					
65.7		142.0						
	34 %		60 %					
69.5		144.0						
	100 %		100 %					
70.1		149.8						
	65 %		90 %					
73.0		151.7						
	67 %		95 %					
76.0		153.8						
	95 %		100 %					
80.8		155.8						
	100 %		100 %					
84.0		159.6						
	50 %		100 %					
86.7		162.9						
	100 %		80 %					
89.2		165.3						
	20 %		100 %					
94.1		169.3						
	100 %		100 %					
96.3		170.3						
	98 %		100 %					
100.3		173.0						
	100 %		100 %					
101.9		174.9						
	100 %		100 %					
104.0		178.5						
	98 %		100 %					
106.8		180.5						
	35 %		100 %					
111.0		187.1						

Malfunction of wire line core barrel

MME FORM 6 REFERENCE SLIP

REV. 9 OFFICE OF MINERALS EXPLORATION

	DATE	INITIALS
TO: Chief, OME	9/23/66	
1. Re: OME-6481 (Gold-Silver)		
2. Sidney Mining Company		
3. Cook Claims Owyhee County, Idaho Contract 2215		
4.		
5. Mary L. Smelser for		
FROM: D. R. MacLaren, Fld. Officer, Reg. 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: Transmittal of the Government and Budget and Finance's copies of Amendment No. 2 to the above-cited contract.

OFFICIAL COPY O. M. E. RECEIVED SEP 23 1966 CODE

INT.-DUP. SEC., WASH., D.C. M56300-62

One

OFFICIAL
COPY
O. M. E.
RECEIVED
SEP 16 1966
INITIAL CHECK

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
September 14, 1966

Mr. M. C. Brown, President
Sidney Mining Company
102 Weber Bank Building
Kellogg, Idaho 83837

Re: OME-6481 (Gold-Silver)
Cook Claims
Owyhee County, Idaho
Contract 2215

Dear Mr. Brown:

In accordance with the request in your letter of August 15, 1966, enclosed are the original and three copies of a proposed Amendment No. 2 (1 page) to the subject contract signed by the Acting Chief, Office of Minerals Exploration.

If the proposed amendment is satisfactory to you, please sign all four copies, retain the Operator's copy, and return the other copies to this office.

If the amendment is not satisfactory, please return all copies unsigned to this office with a statement of your proposed changes for consideration.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

Enclosures

MLSmelser/mls

cc: OME
MacLaren

Director's Reading File

Form 7
3)

OFFICIAL FILE COPY

Date	Surname	Code
9/1/66	Kitchener	120
9/1/66	Erickson	~~FED~~
		~~120~~
	Lepper	9/2
9-6	Cal	200
		120 M

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration SEP 6 1966

Subject: OME-6481 (Gold-Silver)
Sidney Mining Company
Cook Claims
Owyhee County, Idaho
Contract 2215

Enclosed are the original and three copies of a proposed Amendment No. 2 (1 page) to the subject contract, signed for the Government. An extra copy is also enclosed for field use.

If the proposed amendment is satisfactory to you and the Operator, all four copies should be signed by an authorized representative of the Operator and distributed in the usual manner.

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

Harold Kitchener

for Frank E. Johnson

Enclosures

cc: Director's Reading File
Division File
Economic Geology File
OME Reading File
130

MMerrithew/mm (9/1/66)

23263

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. ~~Mr. Long, SOL - Room 6756~~		
2. Mr. Johnson, OME - Room 4460		
3.		
4.		
5.		
FROM: OME		

INTERIOR DEPT.
AUG 29 1966
SOLICITOR

B-66-2051.1

FOR: Check items for action desired

____ Action ____ Reply for signature of _____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS:

FROM SOLICITOR

RECEIVED AUG 31 1966

FROM SOLICITOR

AUG 30 1966

FOR SIGNATURE

FOR SIGNATURE

Division of Mineral Resources
General Legal Services

INT.-DUP. SEC., WASH., D.C. M56300-62

Johnson/bch
8/25/66

Orig surrendered by Mr. Johnson

EXPLORATION CONTRACT
SIDNEY MINING COMPANY
OME-6481

AMENDMENT No. 2

It is agreed this _____ day of _____ 1966, between the United States of America acting through the Department of the Interior, U. S. Geological Survey, hereinafter referred to as the "Government" and Sidney Mining Company, hereinafter referred to as the "Operator," that Exploration Contract No. 2215 (OME-6481), dated February 28, 1966, as amended, is further amended effective the date of the contract, ~~as amended~~, as follows:

In ANNEX I, the following claims are added to and become part of the land referred to in Article 2 of the contract:

Two unpatented claims, Cook No. 49 and Cook No. 50, located by the Operator, and recorded in the Records of Owyhee County, State of Idaho, Book 27, pages 409 and 410, respectively.

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

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
Chief, Office of Minerals Exploration

SIDNEY MINING COMPANY

By _____

Title _____

Omer)

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
August 23, 1966

OFFICIAL COPY
O. M. E.
RECEIVED
AUG 25 1966
INITIALS | COPY
HOM
JE 2/10

Mr. M C. Brown, President
Sidney Mining Company
102 Weber Bank Building
Kellogg, Idaho 83837

Re: Work Authorization
OME-6481 (Gold-Silver)
Cook Claims
Owyhee County, Idaho
Contract 2219

Dear Mr. Brown:

This will confirm the agreement to drill certain holes as discussed during our telephone conversation August 19, 1966. The locations and attitudes of the holes to the cost of which OME will contribute are shown on plates 7 through 12 which accompanied your letter of August 17, 1966. These holes are:

Near Trenches 1 and R.--The proposed holes are in an area where there is strong evidence of sulfide mineralization and hydrothermal alteration. However, whether this indicates an envelope surrounding potentially ore-bearing veins and, if so, what the attitude of the possible veins may be is completely unknown. From the available evidence, holes 9, 10, and 11 appear to be best located and directed to explore further this favorable area and the OME will agree to contribute to the cost of drilling them as proposed to the following depths: Hole 9 - 200 feet; hole 10 - 210 feet; hole 11 - 390 feet, unless a mineralized zone is crossed first. Agreement as to whether, from where, and at what bearing and pitch holes 12, 13, and 14 are to be drilled will depend upon the results of holes 9, 10, and 11.

Near Trench 4.--The diamond shaped area it is proposed to drill is certainly best for covering the most area with the least number of holes, but as in the other areas of proposed drilling, the presence of a significantly mineralized structure and its attitude are still unknown. The presence of pyritization and hydrothermal alteration is suggested in the trench strongly enough to warrant additional exploration, but until it is more strongly indicated that these are definite guides to potential ore-bearing structures, OME can agree to drill only holes 5, 7, and 8 as proposed to the following depths: Hole 5 - 100 feet; hole 7 - 210 feet; hole 8 - 230 feet. Agreement as to the drilling of hole 8 will depend upon the results of holes 5, 6, and 7.

Near Trench 6.--The degree of hydrothermal alteration and the probable presence of pyrite shown in the trench warrant additional exploration, but for reasons given above OME can agree to drill only holes 1, 2, and 3 as proposed to the following depths: Hole 1 - 120 feet; hole 2 - 140 feet; hole 3 - 345 feet. Agreement as to drilling of hole 4 will depend upon the results of holes 1, 2, and 3.

It is realized that the contract requirement for "prior mutual agreement" to drill holes other than those agreed to above presents a problem relative to driller's stand-by time. This problem can be partly alleviated by sending in logs (in duplicate) as soon as possible after each hole is completed, and sample assays by telephone as soon as they are available. Obviously, before OME can agree to drilling any of the follow-up holes, we must have the basic data on which to justify the agreement. If the driller moves from one trench area to the next with the understanding that he may later move back to drill additional holes, the last trench area drilled is the only one where stand-by time might present a problem. Also, a follow-up hole may be started with the understanding that it will be drilled at company expense if OME cannot agree to its drilling--if OME does agree, after the necessary data is available to it, there would, of course, be no problem.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

DRMacLaren/mls

Lec: OME(2) w/2 cpys incoming letter
and 1 set of plates
Voucher File
MacLaren

Director's Reading File

ROWN President
ARNES, Vice President
MICK Secretary-Treasurer

Sidney Mining Company

102 Weber Bank Building
KELLOGG, IDAHO
83837

17 August [illegible]

Mr. Donald MacLaren, Field Officer
Office of Minerals Exploration
So. 157 Howard Street
Spokane, Washington 99204

Re: [illegible] Gold-Silver)
[illegible]
[illegible]ry, Idaho

Dear Mr. MacLaren:

I am enclosing plans, longitudinal [illegible] cross sections illustrating our proposed drill holes [illegible] mineralized areas exposed in the bulldozer trenching.

The drilling in Trench 6 and Trench [illegible] straightforward exploration of narrow steeply [illegible], but the shape and attitude of the large mineralized [illegible] the Trench 1 area is unknown. Drill holes [illegible] three intersections to determine strike and [illegible] mineralization is tabular. After their completion, [illegible] of the remainder of the program may be indicated.

Three possible dips are shown in the cross sections on Plate 12, and if the mineralization dips 80° [illegible] will use up the allowable footage. If the holes [illegible] vertical line we will save enough footage to allow another [illegible]. If the dip is 60° westerly, as in the Dolarar veins, we [illegible] two more holes, making the sixteen allowed by the contract.

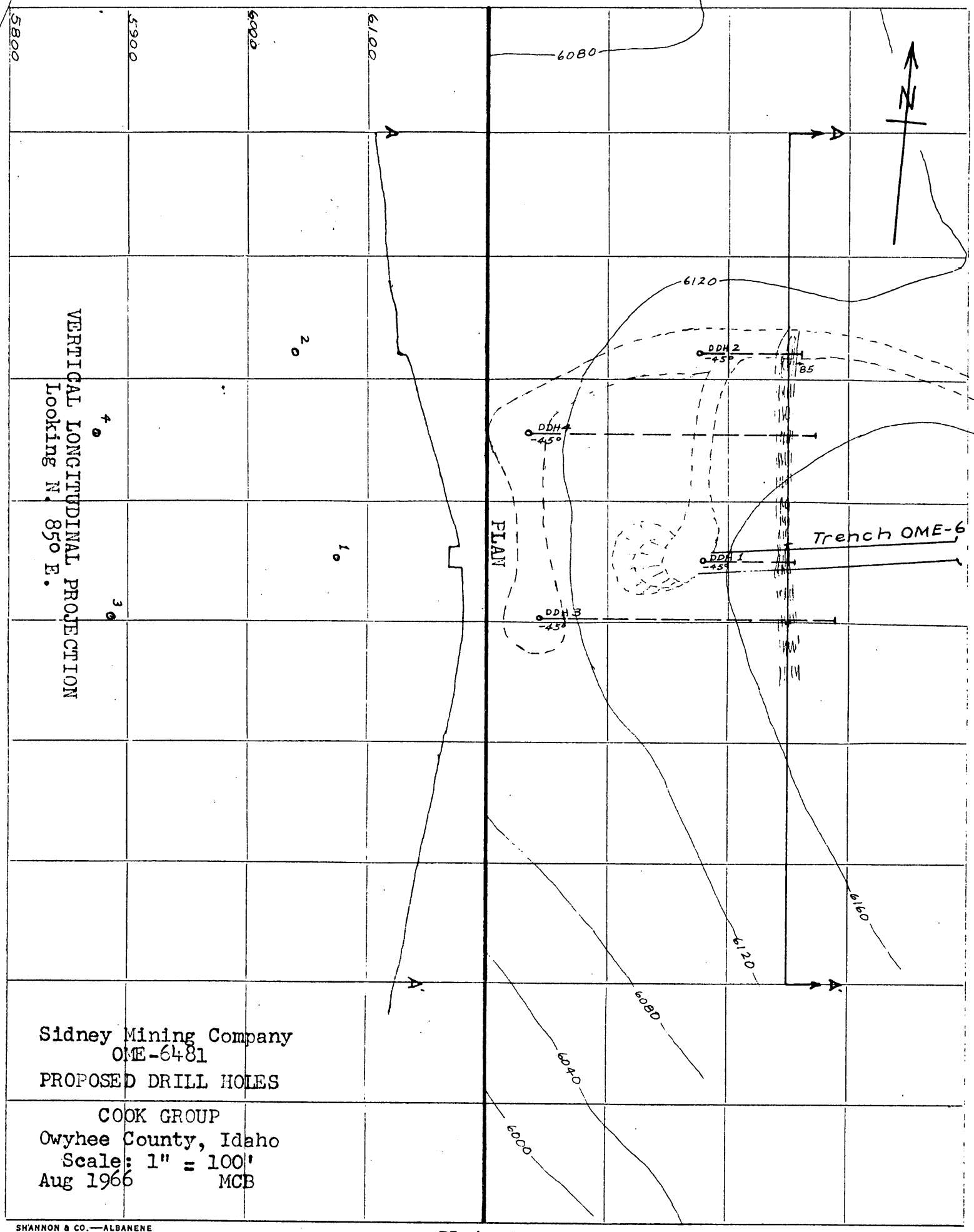
I trust that the proposal will meet with your approval, as I have the drill scheduled to start Monday. [illegible] with you by phone Thursday afternoon.

Yours very truly,

H. C. Brown
President

HCBahs

RECEIVED
AUG [illegible]

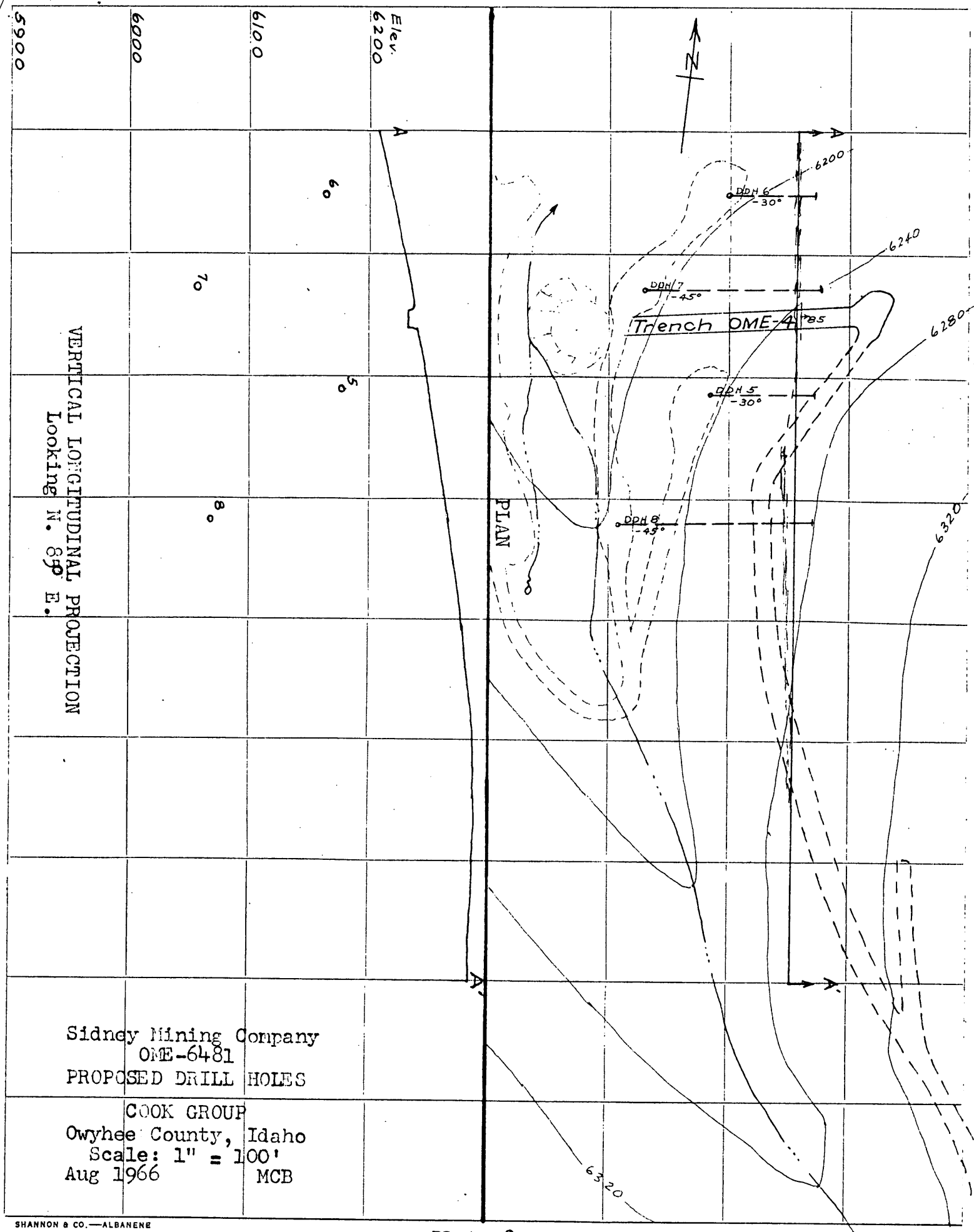


Sidney Mining Company
OME-6481
PROPOSED DRILL HOLES

COOK GROUP
Owyhee County, Idaho
Scale: 1" = 100'
Aug 1966 MCB

SHANNON & CO.—ALBANENE

Plate 7

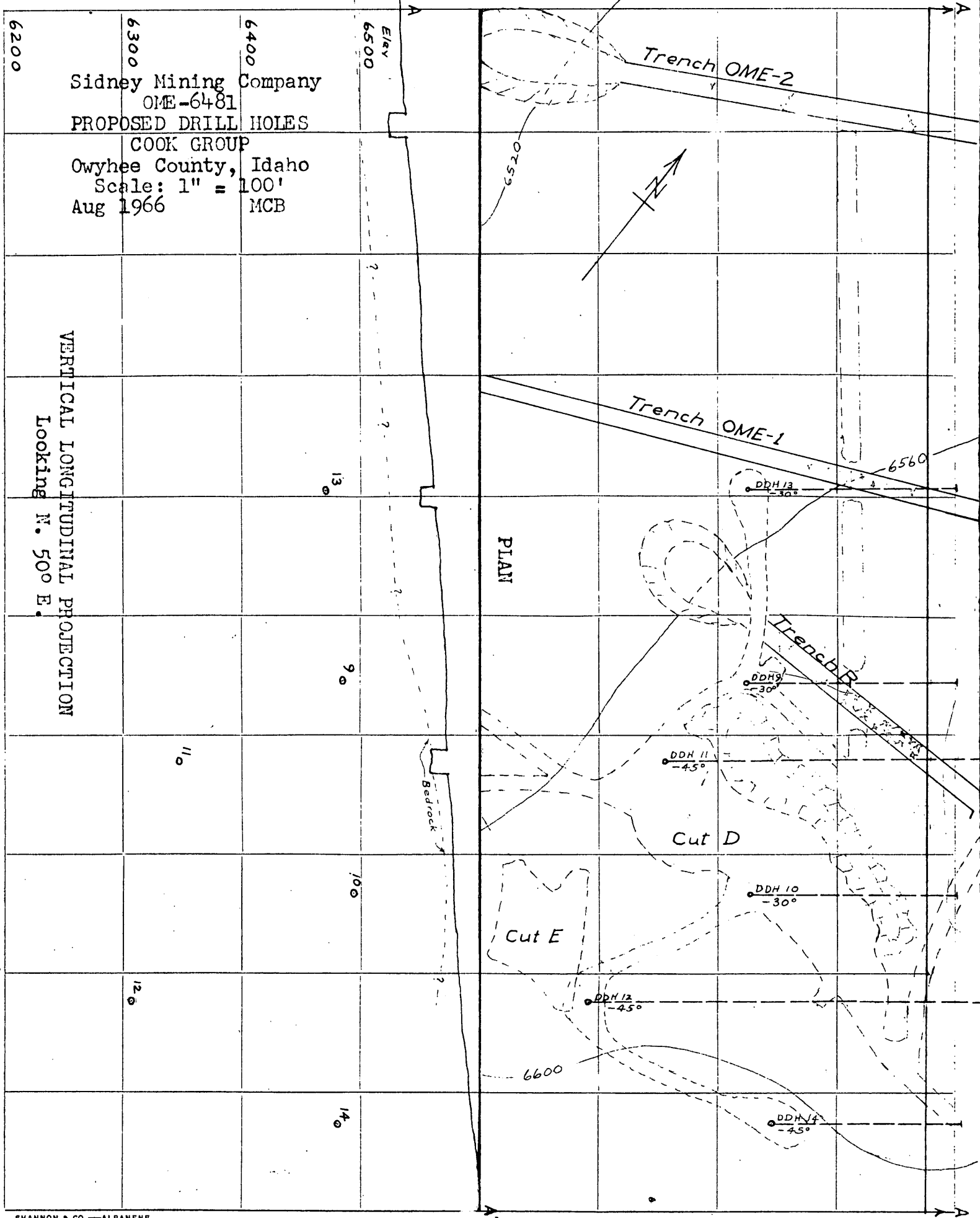


Sidney Mining Company
OME-6481
PROPOSED DRILL HOLES

COOK GROUP
Owyhee County, Idaho
Scale: 1" = 100'
Aug 1966 MCB

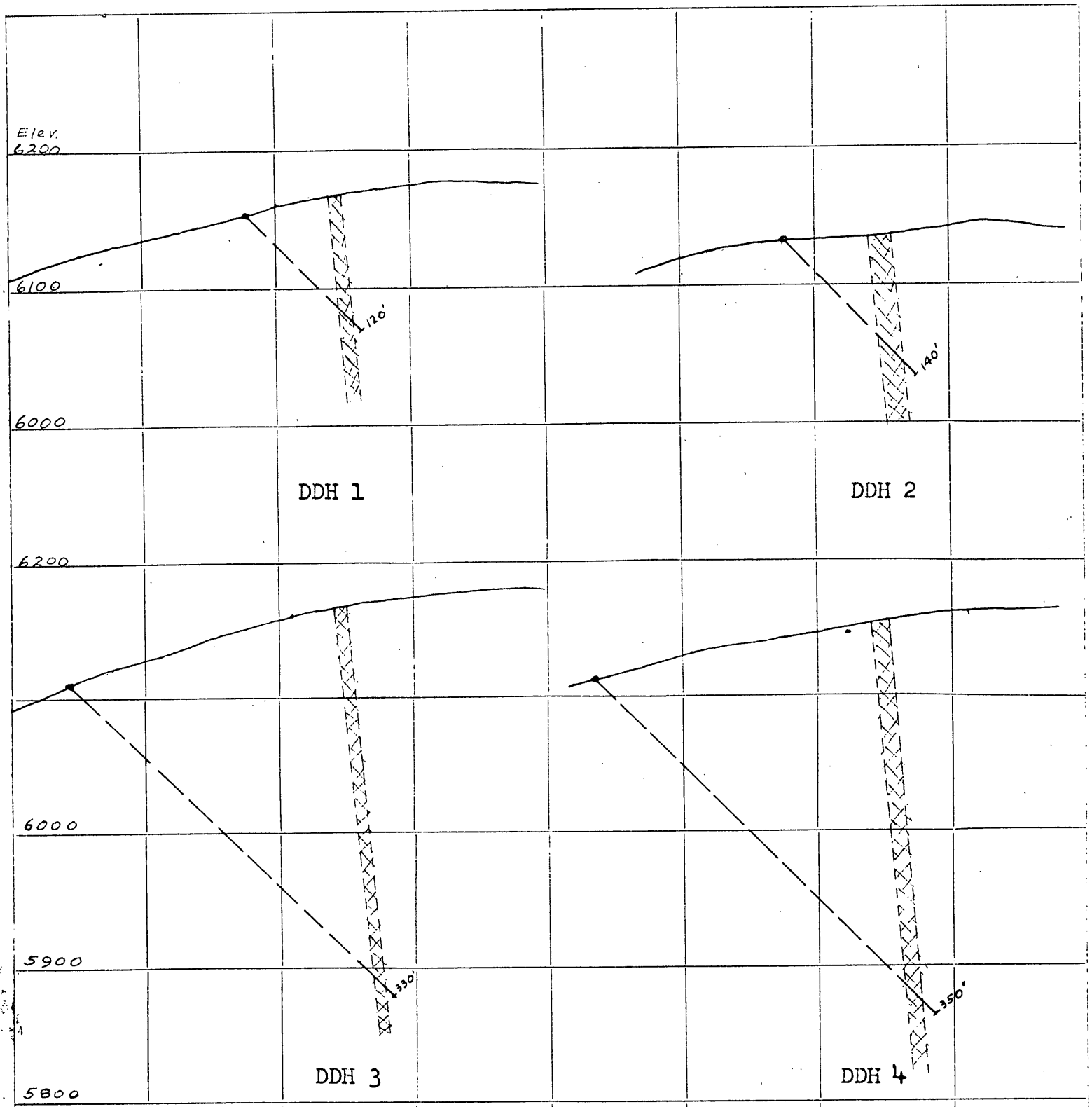
SHANNON & CO.—ALBANENE

Plate 8



SHANNON & CO.—ALBANENE

Plate 9

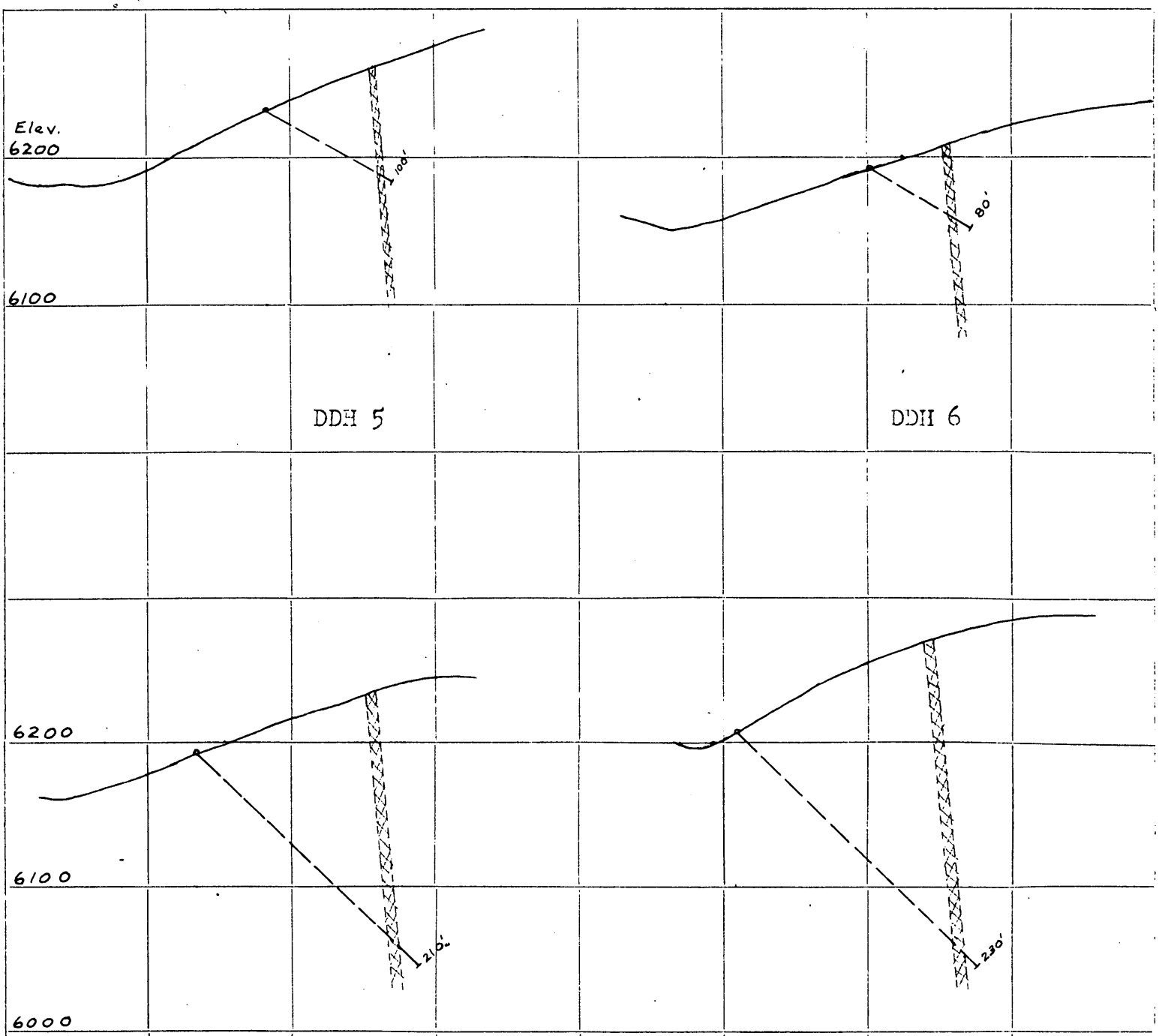


Sidney Mining Company
OME-6481
CROSS SECTIONS
in the planes of
PROPOSED DRILL HOLES

COOK GROUP
Owyhee County, Idaho
Scale: 1" = 100'
Aug 1966 MCB

SHANNON & CO.—ALBANENE

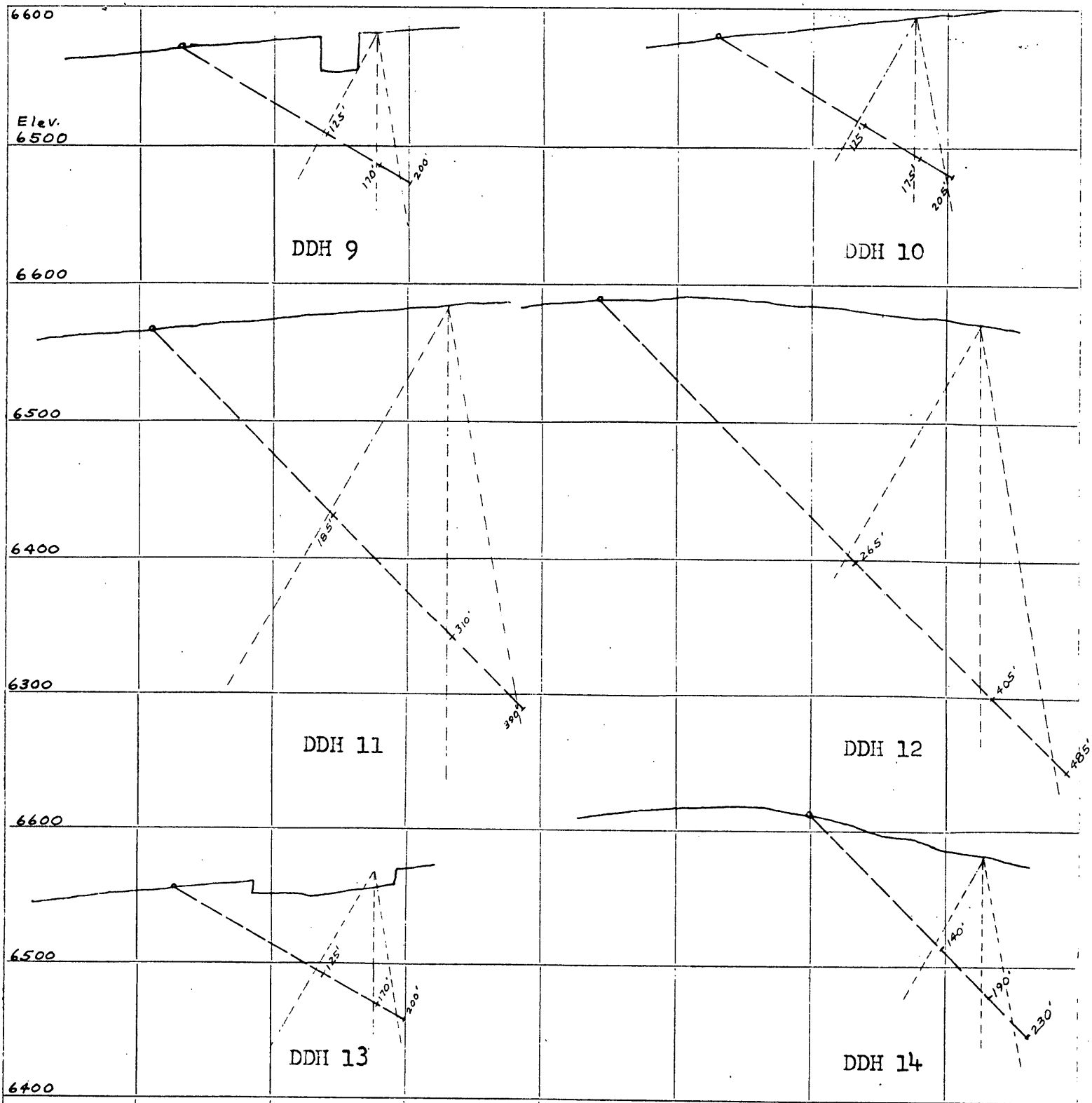
Plate 10



Sidney Mining Company
OME-6481
CROSS SECTIONS
in the planes of

PROPOSED DRILL HOLES
COOK GROUP
Owyhee County, Idaho
Scale: 1" = 100'
Aug 1966 MCB

SHANNON & CO.—ALBANENE



Sidney Mining Company
OME-6481
CROSS SECTIONS
in the planes of

PROPOSED DRILL HOLES
COOK GROUP
Owyhee County, Idaho
Scale: 1" = 100'
Aug 1966 MCB

SHANNON & CO.—ALBANENE

Plate 12

MME FORM 6 REFERENCE SLIP

REV. 2 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. Chief, OME	8/22/66	
2. Re: OME-6481 (Gold-Silver) Sidney Mining Company Cook Claims		
3. Owyhee County, Idaho Contract 2215		
4.		
5. D. R. MacLaren		
FROM: 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: Please refer to the last paragraph of my inspection report of 8/15/66.

INT.-DUP. SEC., WASH., D.C. M56300-62

RECEIVED AUG 22 1966

M. C. BROWN, President
E. K. BARNES, Vice President
BEN SMICK, Secretary-Treasurer

Sidney Mining Company

102 Weber Bank Building
KELLOGG, IDAHO
83837

OFFICIAL COPY
O. M. E.
RECEIVED
AUG 24 1966
INITIALS | CODE
110
120

August 15, 1966

Mr. D. R. MacLaren
Field Office, OME
South 157 Howard Street
Spokane, Washington 99204

Re: OME-6481 (Gold-Silver)
Cook Claims
Owyhee County, Idaho
Contract 2212

Dear Mr. MacLaren:

On July 10, 1966, we located two claims additional to the Cook Group. Cook 49 adjoins Cook 39 on the North and Cook 38 on the West. Cook 50 adjoins Cook 40 on the North and Cook 49 on the West.

The claims are recorded in the Records of Owyhee County, State of Idaho, Book 27, Pages 409 and 410.

It is intended that these claims be added to and subject to the terms of the above OME Contract.

Yours very truly,

M C Brown

M. C. BROWN
President

MCB:jh

RECEIVED
AUG 16 1966
OME

Form 7
(53)

OFFICIAL FILE COPY

Date	Surname	Code
8/3		120
	fy	110
		220
		120

Delivered 8/3/66

6481

Memorandum

To: D. A. Bunevich

From: Harold Kirkemo

Subject: Equal Employment Opportunity Reports

Herewith are E.E.O. reports on two OME projects visited recently by the OME Field Officer, Region I. Neither of the contracts on these projects exceeds $100,000 in total value as shown below:

Name	Docket No.	Contract No.	Total allowable cost	Govt. Share
✓Sidney Mining Company	6481	2215	$40,208.00	$25,130.00
Continental Quicksilver, Inc.	6455	2214	$61,360.00	$38,350.00

If the vagaries of the wind across the Idaho countryside permit, the discrimination poster at the second project may have remained on the tripod for an hour or two. There are no other man-made structures, trees, posts, or shrubs nearby to which a poster can be attached. If an unequally employed individual should appear at the site, I am sure that he (she) would be advised of the nondiscriminatory practices at the project, and very likely that individual missed a road turnoff some 30 miles away and is lost!

Harold Kirkemo

Harold Kirkemo

Enclosures

cc: ~~Director's Reading File~~
~~Division File~~
~~Economic Geology File~~
OME Docket 6481
OME Docket 6455
OME Reading File
Mr. Kirkemo

HKirkemo/gla 8-3-66

23263

OFFICIAL
COPY
O. M. E.
RECEIVED
JUL 26 1966

INITIALS	CODE
✓	120 m
RJ	~~110~~
	120 K

[illegible]
[illegible]
[illegible]
[illegible]
[illegible]

Date: 7/23/66

Memorandum

To: Compliance Officer

From: ~~Acting~~ Field Office, Region I

Subject: Equal Employment Opportunity Under Government Contracts
OMF-6481 (Gold-Silver)
Operator: Sidney Mining Company
Name of Property: Cook Claims
County-State: Owyhee, Idaho
Contract No. 2215

I have obtained the following information from my visit to the operating project under the subject contract:

1. Number of all employees — 3
2. Number of women employees — 0
3. Number of Negro employees — 0
4. Number of other minority groups (Indian, Latin, Oriental, etc.) — 0
5. Was employment through a union? — No
6. Distance to the closest union headquarters (Nampa or Boise) — 70 to 90 miles ±
7. Are the discrimination posters prominently displayed? — Yes
8. If employment was through a union, was the union furnished Standard Form 38? — --
9. If employment was not through a union, in what manner was employment made? — Contract bids
10. Acts of intimidation matter has been discussed with Malcolm C. Brown, President

MME FORM REFERENCE SLIP
REV. 2-5 OFFICE OF MINERALS EXPLORATION

	DATE	INITIALS
TO: Chief, OME	6/22/66	
1.		
Re: OME-6481 (Gold-Silver) Sidney Mining Company		
2. Cook Claims		
Owyhee County, Idaho		
3. ~~Contract 2212~~		
4.		
M. L. Smelser for		
5. D. R. MacLaren		
FROM: Field Officer, Reg. I		

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 24 1966

INITIALS	CODE
gla	130
	120 M
	Surname
	Signature
	File

FOR: Check items for action desired

____ Action ____ Reply for signature of
____ Approval ____ Investigate
____ Comment ____ Recommendations
____ Conference ____ Rewrite
____ Instructions X Your information

REMARKS:

Attached are the Government and Budget and Finance's copies of Amendment No. 1 to the above-cited contract.

INT.-DUP. SEC., WASH., D.C. M56300-62

M. C. BROWN, President
F. BARNE[illegible] Vice President
BEN SMICK[illegible] Secretary-Treasurer

OME

Sidney Mining Company

102 Weber Bank Building
KELLOGG, IDAHO
83837

June 20, 1966

Mr. D. R. MacLaren
Field Office, OME
South 157 Howard Street
Spokane, Washington 99204

Re: OME 6481 (Gold-Silver)
Cook Claims
Owyhee County, Idaho
Contract 2212

Dear Mr. MacLaren:

Thank you very much for Amendment No. 1, three signed copies of which are returned herewith.

Generally bulldozer trenching gives more information per dollar than drilling. We believe that trenching will be even more efficient with the newer machine and more can be accomplished under the maximum hours specified in the contract. Each of the trenches can probably be made as much as 200 feet longer in the allotted time.

In view of the uncertainty as to the exact relationship of Heavy Metal halos to productive veins, I hope that the approximate lengths can be very liberally interpreted so that we may expose bedrock as far as possible in these broad zones.

Yours very truly,

M. C. Brown

M. C. BROWN
President

MCB:jh
Enclosures

RECEIVED
JUN 22 [illegible]

OME

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 17 1966
INITIALS | CODE
HK | 120K

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
June 14, 1966

Mr. M. C. Brown, President
Sidney Mining Company
102 Weber Bank Building
Kellogg, Idaho 83837

Re: OME-6481 (Gold-Silver)
Cook Claims
Owyhee County, Idaho
Contract 2212

Dear Mr. Brown:

In accordance with our telephone conversation of May 24, 1966, enclosed are the original and three copies of proposed Amendment No.1 (one page) to the subject contract signed by the Chief, Office of Minerals Exploration.

If the proposed amendment is satisfactory to you, please sign all four copies, retain the Operator's copy, and return the other copies to this office.

If the amendment is not satisfactory, please return all copies unsigned to this office with a statement of your proposed changes for consideration.

Sincerely yours,

D. R. MacLaren
Field Office, OME
Region I

Enclosures

MLSmelser/mls

cc: OME
MacLaren

Director's Reading File

ME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
6/8	Johnson	110
6/8/66	Kirkham	120
6/9	Kilzgard	220
6/10	Meyer	120M
6-10	Cole	210
		120M

JUN 10 1966

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6481 (Gold-Silver)
Sidney Mining Company
Cook Claims
Owyhee County, Idaho
Contract 2213

In reference to your memorandum of May 25, 1966, enclosed are the original and three copies of proposed Amendment No. 1 (one page) to the subject contract. An extra unsigned copy of the proposed amendment also is enclosed for field use.

If the proposed amendment is satisfactory to you and the Operator, all four copies should be signed by the proper official of the Sidney Mining Company. Thereafter, please distribute the copies in the usual manner.

If any part of the proposed amendment does not have the approval of you or 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 proposed changes for consideration.

FRANK E. JOHNSON

Frank E. Johnson

Enclosures

cc: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File
130

FEJohnson/gla 6-8-66

23263

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
June 8, 1966

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 10 1966
INITIALS | CODE
~~120~~ ~~110~~ 120

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: OME-6481 (Gold-Silver)
Sidney Mining Company
Cook Claims
Owyhee County, Idaho
Contract 2212

On rereading our memorandum of May 25, 1966, the first sentence in the last paragraph on page 1 recommends an amendment to provide for the use of a 46A Caterpillar dozer with ripper at $30.00 per foot. This should have been at $30.00 per hour.

D. R. MacLaren

D. R. MacLaren

Blo-chet

DRAFT
FEJohnson/gla/mm/bih
5/31/66

EXPLORATION CONTRACT
SIDNEY MINING COMPANY
OME-6481

AMENDMENT NO. 1

It is agreed this _____ day of _____, 1966, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, U. S. Geological Survey, hereinafter referred to as the "Government," and Sidney Mining Company, hereinafter referred to as the "Operator," that Exploration Contract No. 2215 (OME-6481), dated February 28, 1966, is amended as follows:

Under Exhibit A, General Provisions, of the contract, the second paragraph is deleted and the following paragraph substituted therefor:

> Necessary access roads and drill sites shall be prepared and all trenches excavated to bedrock by using a D-9 Caterpillar bulldozer with ripper, D-8 H-46A Caterpillar with ripper, or equivalent equipment of another make. The approximate locations of the trenches are indicated on the attached Plate 1, "Plan of Cook Claims."

This amendment shall not be construed to increase the estimated total cost of the contract, the aggregate amount which the

Government may be required to contribute, the amount of any item designated as maximum, nor the fixed unit cost of any item of work.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
Chief, Office of Minerals Exploration

SIDNEY MINING COMPANY

By _____

Title _____

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
May 25, 1966

OFFICIAL COPY
O. M. E.
RECEIVED
MAY 27 1966
INITIALS | CODE
120
110

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: OME-6481 (Cold-Silver)
Sidney Mining Company
Cook Claims
Owyhee County, Idaho
Contract 22125

Malcolm C. Brown, president of the Sidney Mining Company, telephoned the office May 24, 1966, to present an unforeseeable problem that has arisen relative to the dozer to be used in the trenching and drill station preparation provided in this contract.

Based on a bid submitted September 18, 1965, by American Gold and Silver Company, the contract specifications call for use of a "D-9 Caterpillar bulldozer with ripper or equivalent of another make." He has just been advised by the successful bidder that the D-9 is tied up on another job and will not be available for several months. However, the bidder says that he can get a D-8 H-46A Caterpillar bulldozer with ripper at the same price. The D-9 is a 1955 model and the 46A is a 1960 model. I have talked with George Berglund, a local agent for Caterpillar equipment, to get a comparison of these two machines.

The 46A has a power shift transmission that delivers 235 HP and speeds up gear shifting considerably over the D-9 in other words it "works faster." The 46H power ripper gives more penetration than the hinge-type ripper on the D-9. Performance rating curves, kept by the company, show that the 46A (1960 model) performance rating is 10-15 percent higher than that for the D-9 (1955 model) and will out produce the D-9 in any given type of ground. Specifically, the respective production curves for a 200-foot long test job show that the 1960 46A production rate is 10-15 percent greater than that of the 1955 D-9.

Based on the statistical comparison it is concluded that, although of the same make, the 46A that will be used is the equivalent of the D-9 that is not available.

It is recommended that the contract be amended to provide for the use of a 46A Caterpillar dozer with ripper at $30.00 per ~~foot~~. It

should be taken into account that the only bidder who mentioned a 46A bid $40.00 per hour for using that model and that the Idaho State Highway Department's standard rate for a 46A Cat is said to be $39.31 per hour.

D. R. MacLaren

D. R. MacLaren

cc: MacLaren

One

OFFICIAL COPY
O. M. E.
RECEIVED
APR 4 1966

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
March 31, 1966

Mr. M. C. Brown, President
Sidney Mining Company
102 Weber Bank Building
Kellogg, Idaho 83837

Re: OME-6481 (Gold-Silver)
Sidney Mining Company
Cook Claims
Owyhee County, Idaho
Contract 2212

Dear Mr. Brown:

We are enclosing a three-month supply of Operator's Monthly Voucher and Progress Report, OME Forms 60 and 61. The original and three copies of the completed report forms as well as the narrative, maps, assays, and all technical data, should be submitted 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 in that month is required. Delay in processing can be avoided if reports are submitted promptly to this office.

Also enclosed are three copies of Standard Form 38, entitled "Notice of Nondiscrimination in Employment." In accordance with Executive Order 11246, which is Exhibit B of your contract, you should complete one copy and send it to any labor union that may be involved in your OME contract work and should post one or more copies in conspicuous places available to employees or applicants for employment. The enclosed poster should be kept exhibited in a conspicuous place available to both employees and applicants for employment.

We would appreciate your advising us when the OME contract work has started.

Sincerely yours,

D. E. MacLaren
Field Officer, OME
Region I

Enclosures

MLSmelser/mls
cc: OME
Director's Reading File

OME

SIDNEY MINING COMPANY
102 WEBER BANK BUILDING
KELLOGG, IDAHO

OFFICIAL COPY
O. M. E.
RECEIVED
APR 7

March 30, 1966

Mr. Donald R. MacLaren, Field Officer
Office of Minerals Exploration
Geological Survey
South 157 Howard Street
Spokane, Washington 99204

Re: OME-6481 (Gold-Silver)
Sidney Mining Company
Cook Claims
Owyhee County, Idaho

Dear Mr. MacLaren:

We are enclosing herewith four executed copies of Contract No. 2215.

Yours very truly,

M. C. BROWN
President

jk
Enclosures

Certified Mail No. 057144 - Return Receipt Requested

COPY

RECEIVED
MAR 31 1966
OME
SPOKANE, WASHINGTON

MME FORM 6 REFERENCE SLIP

REV. 2- OFFICE OF MINERALS EXPLORATION

	DATE	INITIALS
TO: Chief, OME	3/31/66	
1.		
Re: OME-6481 (Gold-Silver) Sidney Mining Company		
2. Cook Claims		
Owyhee County, Idaho		
3. Contract 2215		
4.		
5. D. R. MacLaren		
FROM: Fld. Officer, Reg. I		

OFFICIAL COPY D. M. E. RECEIVED APR 4 1966 INIT. TAX CODE

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: Transmittal of Gov't., Audit, and Fiscal Section's copies of above-cited contract.

INT.-DUP. SEC., WASH., D.C. M56300-62

GEOLOGICAL SURVEY
Sc. 157 Howard Street
Spokane, Washington 99204
March 21, 1966

OFFICIAL COPY
O. H. R.
RECEIVED
MAR 22 1966
FILE NO. 110
120 m

Mr. M C. Brown, President
Sidney Mining Company
102 Weber Bank Building
Kellogg, Idaho 83837

Re: OME-6481 (Gold-Silver)
Sidney Mining Company
Cook Claims
Owyhee County, Idaho

Dear Mr. Brown:

Enclosed are the original and four copies of a proposed contract for the subject claims. The contract consists of MME Form 50 (7 pages), Annex I (1 page), Exhibit A (5 pages), Exhibit B (1 page), and one map (pl. 1). All copies have been signed by the Acting Director, Geological Survey, for the Government. The date for commencement of the work has been inserted.

You or whoever will be in charge of carrying out the project work under this contract are urged to read carefully all the specifications set forth in Exhibit A. Without prior Government approval subsequently confirmed in writing, the Government may refuse to contribute to the cost of any work that does not conform to those specifications. Your attention is specifically directed to Article 12 and Exhibit B. Appropriate forms to meet the compliance requirements will be sent with forms for reporting monthly progress and vouchering.

If the terms and conditions are satisfactory, sign all copies, keep the Operator's copy, and return the other copies to this office. If any part of the proposed contract is not satisfactory, please return all copies unsigned to this office with a statement of your proposed changes for consideration.

The 6-3/4 percent interest accrues from the date on which the individual payments are made by the Government and like the principal is payable from royalty on production.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

Enclosures

MLSmelser/mls
cc: OME
MacLaren
Director's Reading File

OME

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
March 4, 1966

OFFICIAL COPY

INITIALS	CODE
	110
	120
	120

Mr. M. C. Brown, President
Sidney Mining Company
102 Weber Bank Building
Kellogg, Idaho 83837

Re: OME-6481 (Gold-Silver)
Sidney Mining Company
Cook Claims
Owyhee County, Idaho

Dear Mr. Brown:

We have received a proposed contract to explore on the Cook Claims, but before we can present it to you for execution, we must receive the original and four copies of the MME Form 52, Lien and Subordination Agreements, executed by Paul Freed or whomever owns the one-half interest in the Ajax and Oregon group of four claims not held by Sidney Mining Company. These forms, filled out and ready for execution, are enclosed.

As soon as all five copies of the Agreements duly executed are received, we shall forward you the proposed contract for your consideration.

Also enclosed are both copies of "Preliminary Report on Geochemical Reconnaissance" which accompanied your application and which you requested be returned.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

Enclosures

DRMacLaren/mls

cc: OME

Director's Reading File

OFFICIAL FILE COPY

Date	Surname	Code
2/17	Johnson	
	Selfridge	
2/23	Eikenberry	
2/23	Lively	
2/24	Kuzman	
	Baker	
2/28	Cai	210
		120117

FEB 28 1966

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6481 (Gold-Silver)
Sidney Mining Company
Cook Claims
Owyhee County, Idaho

Enclosed are the original and four copies of a proposed contract for the subject claims. The contract consists of MME Form 50 (7 pages), Annex I (1 page), Exhibit A (5 pages), Exhibit B (1 page), and one map (Plate 1). All copies have been signed by the *Director, Geological Survey, for the Government. The date for commencement of the work has been inserted. Also enclosed is an extra unsigned copy of the contract for field use. A set of Lien and Subordination Agreements is enclosed to be executed by the owners of one-half interest in the Ajax and Oregon group of four claims not held by the Applicant and attached to each copy of the contract.

If the proposed contract is satisfactory to you and the Applicant, all five copies should be signed by an authorized official of Sidney Mining Company. Thereafter, please distribute the copies in the usual manner.

Please advise the Applicant that the 6-3/4 percent interest accrues from the dates on which individual payments are made by the Government and like the principal is repayable from royalty on production.

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

*Acting

(signed) FRANK E. JOHNSON

Frank E. Johnson

(RL)

Enclosures

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
Mr. Selfridge

FEJohnson/bih/mm (2/18/66)

P.S. Also enclosed is the Preliminary Report on Geochemical Reconnaissance to be returned to Mr. Malcolm C. Brown.

23263

MME FORM 6 REFERENCE SLIP

REV. 2-5 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. ~~Associate Solicitor 6042~~		
2. Frank E. Johnson, 4450		
3. B-66-2057.1 INTERIOR DEPT.		
4. FEB - 8 1966		
5. SOLICITOR		
FROM: Frank E. Johnson, OME	2/7/66	

FOR: Check items for action desired

X Action ____ Reply for signature of ____

X Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS:

FROM SOLICITOR
FEB 16 1966
FOR SIGNATURE

D.C. M56300-62

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
2/1	Johnson	
2/3	Kildgaard	
2/3	Tooker	
2/4	Dyson	

FEB 7 - 1966

Hon. Compton I. White, Jr.
House of Representatives
Washington, D. C. 20515

Dear Mr. White:

In reply to your letter of January 20, 1966, concerning the application of the Sidney Mining Company, Kellogg, Idaho, for financial assistance in exploring the Cook Group of Claims in Owyhee County, Idaho, we shall be glad to inform you as soon as our decision has been reached in this case.

Sincerely yours,

Arthur A. Baker

Acting Director

2/28/66
Long to Baker
[illegible]

cc: General files
Division file
Director's Chron gile
OM Economic Geology file
OME file
OME reading file

FEJohnson/bih 2/1/66

23263

COMPTON I. WHITE, JR
Idaho

Room [illegible]
Cannon House Office Building

Home Address:
Box [illegible]
Clark Fork, Idaho [illegible]

Congress of the United States
House of Representatives
Washington, D.C. 20515

COMMITTEES:
INTERIOR AND INSULAR AFFAIRS
SUBCOMMITTEES:
INDIANS AND TERRITORIES
MINES AND MINING
PUBLIC LANDS
BANKING AND CURRENCY
SUBCOMMITTEES:
INTERNATIONAL FINANCE
INTERNATIONAL TRADE

NOTED

JAN 27 1966

R. Klepper
Assoc. Chief Geologist

January 20, 1966

Honorable [illegible]
Director
Geological Survey
Department of the Interior
Washington, D.C.

Dear Mr. [illegible]

[illegible] with reference to [illegible] Mining Company, Kellogg, Idaho [illegible]

[illegible] effort is being made to expedite the processing of this application, and I do hope that an early decision can be rendered thereon. Quite naturally, I trust [illegible] for [illegible] soon [illegible] [illegible]

With kindest regards, I am

Sincerely yours

Compton I. White, Jr.
Member of Congress

CIW:RBT

USL
If the decision is negative Mr. [illegible] about mines up
OME

AFT FEJohnson/mm
2/3/66
MME Form 50
June 1963

Docket

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

EXPLORATION CONTRACT
(Long Form)

Docket No.	Commodity	Contract No.	County	State
OME-6481	Gold-Silver	14-23-090-	Owyhee	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

Sidney Mining Company, a corporation organized in the State of Idaho,

whose mailing address is 102 First Security Bldg., Kellogg, Idaho 83837, 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 June 1, 1966 (Date), and, subject to the provisions of Article 9 and Exhibit A, shall either have completed the work within 6 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 $ 40,208.00. The Government will contribute ~~50~~ 62½ percent of the allowable costs as they are incurred, in a total sum not in excess of $ 25,130.00 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 at the rate of _____ percent shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

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

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

See Annex I

(b) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above and (if the Operator does not hold the legal title) the lien agreement of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached as follows:

See Annex I

(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.-- 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 four copies of monthly reports in three sections as follows:

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

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

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

(Forms for reporting under (1) and (2) above will be provided by the Government; however, the original of the Operator's Monthly Voucher shall be supported by documentary evidence, such as certified copies or transcripts of payrolls and invoices, for all costs claimed under Article 6 (a) (1).)

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

(e) Compliance with requirements.--If the Government determines that any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the preparation or completion of 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.--In addition to the limitations imposed by paragraph (a) of this Article 6 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. The 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 retains 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 certicifation of possible production--from the date of the contract until the lapse of the time within which the government may issue such certification or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first; or

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

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

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

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

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

(e) Lien for payment.--To secure the payment of royalty (see Article 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 or producer 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 or producer.

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

(h) Government not obligated to buy.--Nothing in this contract shall be contrued 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.

ARTICLE 12. Nondiscrimination in Employment. The provisions respecting nondiscrimination in employment which are required by section 301 of Executive Order 10925, dated March 6, 1961 as amended and supplemented are attached hereto as Exhibit B and are hereby incorporated in and made a part of this contract.

ARTICLE 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 of the Interior. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

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

ARTICLE 14. Work Hours Act of 1962 - Overtime Compensation.--This contract, to the extent that it is of a character specified in the Work Hours Act of 1962 (Public Law 87-581, 76 Stat. 357-360) and is not covered by the Walsh-Healey Public Contracts Act (41 U.S.C. 35-45), is subject to the following provisions and to all other provisions and exceptions of said Work Hours Act of 1962.

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

(b) Violations; liability for unpaid wages; liquidated damages.--In the event of any violation of the clause set forth in subparagraph (a) of this paragraph, the Operator and any subcontractor responsible therefor shall be liable to any affected employee for his unpaid wages. In addition, such Operator and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for

liquidated damages. Such liquidated damages shall be computed, with respect to each individual laborer or mechanic employed in violation of the clause set forth in subparagraph (a) of this paragraph, in the sum of $10 for each calendar day on which such employee was required or permitted to work in excess of eight hours or in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in subparagraph (a) of this paragraph.

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

ARTICLE 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.--

_____

_____

_____

_____

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

SIDNEY MINING COMPANY
(Operator)

By _____

By _____
Director, U. S. Geological Survey

Title _____

_____

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]

48258

DRAFT 2/3/66
FEJohnson/mm

EXPLORATION CONTRACT
SIDNEY MINING COMPANY
OME-6481

ANNEX I

The land, including all rights pertaining thereto, referred to in Article 2 of the contract consists of 48 unpatented claims, known as the Cook group, and one-half interest in five unpatented claims lying within the Cook group, all in parts of secs. 2, 3, 10, and 11, T. 5 S., R. 4 W., B.M. in the Carson mining district, Owyhee County, Idaho.

The wholly-owned Cook group comprises the Cook 1 to Cook 48 claims, inclusive, recorded in the records of Quartz Locations of Owyhee County at the County Courthouse, Murphy, Idaho, in Book 26, pages 377 to 424, inclusive. These claims are held by the Operator under deeds executed by Ben and Hazel Smick and by M. C. and Nancy Brown, recorded in Book 57 of Deeds of said county, at pages 321 and 324, respectively.

The five claims in which the Operator has a one-half interest are the Oregon No. 1, Oregon No. 2, Spitfire, Red Cloud, and Ajax, recorded in Book 26, pages 17, 19, 21, 23, and 345, respectively. The one-half interest in the claims is held by the Operator under deed executed by Paul Freed, and recorded on page 225, Book 58 of Deeds, Owyhee County, Idaho.

A Lien and Subordination Agreements executed by the owners of the one-half interest in the above five claims not held by the Operator are attached hereto and made a part hereof.

Claims pertaining to the contract are shown on the attached Plate 1, entitled "Plan of Cook Claims."

EXPLORATION CONTRACT
SIDNEY MINING COMPANY
OME-6481

EXHIBIT A

The purpose of this contract is to explore by trenching and surface diamond drilling for gold-silver deposits in northwesterly striking veins near east-west faults in anomalous areas indicated by soil sampling.

General Provisions

No work shall be performed at locations within 200 feet of the exterior boundaries of the property.

Necessary access roads and drill sites shall be prepared and all trenches excavated to bedrock by using a D-9 Caterpillar bulldozer with ripper or equivalent equipment of another make. The appropriate locations of the trenches are indicated on the attached Plate 1, "Plan of Cook Claims."

All significant mineralization in the trenches shall be sampled at intervals of five feet across the strike of the mineralized structures. Each sample shall be split and one split assayed for gold and silver. The other split shall be retained for possible use by the Government.

Based upon the results of the trenching, diamond core holes shall be drilled at locations to be agreed upon in advance by the Operator and the Government.

All holes shall be cased through overburden and then continued with standard BX core size (1-5/8" diameter) or equivalent

wireline size. The holes may be reduced to standard AX core size (1-1/8" diameter) or equivalent wireline size.

Significantly mineralized core shall be split and one split assayed for gold and silver. The other split shall be properly stored in sequence with the unmineralized core. No sample shall represent a core length of greater than five feet.

Facilities shall be provided for recovering diamond drill sludges and sludge samples shall be retained when drilling ~~XXX~~ in significantly mineralized formations.

Core from the diamond drilling shall be properly boxed and marked as to source and location. A split of the sludge and core segment samples shall be stored in a suitable container also properly identified as to source and location. The stored core and sludge samples shall be retained for Government inspection and possible use. With prior Government approval the Operator may dispose of the core and sludge samples.

True copies of assay certificates of all samples shall be submitted with the Operator's monthly report which shall also include a map or sketch showing the work completed during the reporting period and the locations of all samples taken. The map or sketch should also show the general geological formations and structures traversed by the drill holes.

All drill holes shall be logged geologically and copies of the logs of the completed holes shall likewise be submitted with the Operator's monthly report.

The Operator shall provide such supervisory and technical services as may be required to complete the work in a satisfactory manner. The Government will contribute only to that portion of monthly salaries representing the time spent on the project work by the various employees. The location, direction, and extent of each work item shall be subject to prior Government approval.

Description of the Work

The work shall consist of bulldozing necessary access roads, six trenches, and sixteen drill sites, and drilling sixteen diamond core holes.

The trenches shall be located approximately as indicated on Plate 1, as follows:

Trench 1 shall be located approximately 200 feet northwesterly of cut "D" and shall be approximately 350 feet in length extending in a northeast-southwesterly direction.

Trench 2 shall be located approximately 250 feet northwesterly of Trench 1 and shall be approximately 400 feet in length extending in a northeast-southwesterly direction.

Trench 3 shall be located approximately 400 feet northwesterly of Trench 2 and shall be approximately 350 feet in length extending in a northeast-southwesterly direction.

Trench 4 shall be located approximately 400 feet due north of the end of the dead end spur road near cut "O" extending approximately 250 feet westerly, more or less parallel to the north boundary of the Oregon group of claims.

Trench 5 shall be started approximately 125 feet east of the portal of Tunnel "B" and extended approximately 200 feet to the east.

Trench 6 shall be located approximately 2,750 feet east of the northwest corner of the Cook group of claims extending approximately 200 feet east, more or less parallel to the northern boundary of the Cook group of claims.

Reasonable variance from the above descriptions of the trenches, depending upon topographical and geological features, may be made by the Operator with the prior approval of the Government.

Depending upon the results of the trenching, not to exceed sixteen diamond core holes shall be drilled to depths of approximately 200 feet at sites selected by mutual agreement between the Operator and the Government. The locations, directions, and attitudes of all drill holes shall have prior approval of the Government.

Estimated Cost of the Work

Actual Costs

Category (1) Independent Contracts

Bulldozing

Mobilization and demobilization of bulldozer	$ 400.00
Bulldozing access roads, trenches, and drill sites, 75 hours @ $30.00/hour	2,250.00

Drilling

Mobilization and demobilization of drill	1,200.00	
Overburden, 80 feet @ $12.40/foot	992.00	
Diamond core, 3,200 feet BX standard core size @ $8.75/foot or AX standard core size @ $8.10/foot	28,000.00	
400 feet reaming and casing @ $5.00/foot 1/	2,000.00	
50 hours cementing @ $12.00/hour	600.00	
400 feet drilling out cement @ $1.50/foot	600.00	
48 sacks lumnite cement @ $6.75/sack	324.00	
		$36,366.00

Category (2) Personal Services
None except:
Subcategory (a) Supervision and Technical Services

1 Supervisor-engineer-geologist 3.0 months @ $750.00/month	$2,250.00	$ 2,250.00

Category (7) Miscellaneous

None except:

F.I.C.A. and other insurance @ 15% (rounded to)	$ 340.00	$ 340.00
Total Estimated Actual Costs		$38,956.00

Fixed Unit Costs 2/

Incidental cost for each foot of drill hole

3,200 feet @ $0.21/foot	$ 672.00	
300 core boxes @ $1.00/each	300.00	
160 sample sacks @ $0.25/each	40.00	
80 assays for gold and silver @ $3.00/assay	240.00	
Total Estimated Fixed Unit Costs		$1,252.00
Total Estimated Cost of Project		$40,208.00

1/ The Government will not contribute to the cost of casing left in place at the request of the Operator.

2/ Includes all costs whatsoever that would be allowable costs under Categories (3) through (7).

SUMMARY

Total Estimated Actual Costs	$38,956.00
Total Estimated Fixed Unit Costs	1,252.00
Total Estimated Cost of Project	$40,208.00
Government Participation @ 62½%	$25,130.00

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(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
	Selbrede	
1/14	[illegible]	
1/17	Kilbourd	
1/17	[illegible]	
1/18	Hugo	

JAN 19 1966

Hon. Compton I. White, Jr.
House of Representatives
Washington, D. C. 20515

Dear Mr. White:

This is in response to your letter of January 11, 1966, concerning the application of the Sidney Mining Company, Kellogg, Idaho, for financial assistance in mineral exploration.

The field report covering an on-site examination of the property has been reviewed and the proposed exploration discussed with the Field Officer during his visit here last week. Every effort is being made to expedite the processing of this application and we will notify the applicant as promptly as possible as to our decision.

Sincerely yours,

W D Pecora

Director

cc: General Files
Division Files, S-212
Director's Chron.
Economic Geology File
GMX Docket - 6481
GMX Reading File
GMX Region w/cy of incoming ltr

FLJohnson/gla/mm (1/14/66)

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CONGRESS OF THE UNITED STATES
House of Representatives
Washington, D.C. 20515

January 11, 1966

Honorable William T. Pecora
Director
Geological Survey
Department of the Interior
Washington, D. C.

Dear Mr. Pecora:

Reference is made to my prior correspondence to your office relative to the application of the Sidney Mining Company, Kellogg, Idaho, for financial assistance in minerals exploration. I do hope that you are now in a position to act on this request, and will you kindly advise me in the premises? I assure you I shall very much appreciate any thing that can be done to expedite same.

Loking forward to hearing from you, and with all good wishes, I am

Sincerely yours,

s/Compton I. White, Jr.
Compton I. White, Jr.
Member of Congress

CIW:RBT

C O P Y

OME

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
December 16, 1965

OFFICIAL COPY
O. M. E.
RECEIVED
DEC 27 1965

INITIALS	CODE
	130
	110
	120M (gla)

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: Application Examination
OME-6481 (Gold-Silver)
Sidney Mining Company
Cook Claims
Owyhee County, Idaho

INTRODUCTION

Sidney Mining Company of Kellogg, Idaho, applied for OME aid to explore for gold-silver ore in the Silver City area of Idaho, by trenching and diamond drilling from the surface. The applicant estimates that the project will cost $40,802.00.

The property was visited October 29, 1965, and in the company of Malcolm Brown, all trenches and outcrops of interest and three tunnel portals were visited. About 6 hours were spent on the property and another hour in the area of DeLamar and Florida Mountains.

In his letter of September 27, 1965, and the addenda which accompanied it, the applicant attempted to justify his contention that his soil sample analyses show values that are truly anomalous for this area even though they are below values normally so considered. For that reason I have presented from different angles several analyses of the data contained in the application, first to try to derive some sort of values for heavy metals, mercury, and arsenic that might be considered "anomalous" for this area. Second, to determine the percentages of these so-called "anomalies" that occur in the areas of known production in order to determine what, if any, significance they may have in this specific area. And finally to determine whether the data presented support the Applicant's premise that productive areas contain heavy metals, low mercury and little or no arsenic anomalies and are surrounded by halos of high mercury and high arsenic anomalies. An attempt was also made to prepare overlay contour maps of heavy metals and mercury trends within the Cook claims, with only partial success.

FIELD EXAM. REPT.

PROPERTY, LOCATION, AND ACCESSIBILITY

The property comprises 48 claims called Cook 1 to Cook 48, inclusive, and are recorded at the County Courthouse, Murphy, Idaho, in Book 26, pages 377 to 424, inclusive. However, within the area of the Cook claims are five claims in which Sidney Mining Company owns outright only an individual half interest by virtue of a deed executed by Paul Freed and recorded in page 225, Book of Deeds, Owyhee County. These claims are:

Claim	Book	Page
Oregon No. 1	26	17
Oregon No. 2	26	19
Spitfire	26	21
Red Cloud	26	20
Ajax	26	345

"Sidney will agree that in the event of production from these five claims, it will pay out of its half of the proceeds the normal Government royalty due on the total production from the said five claims." (Addendum 2.a.)

The Cook claims are located in parts of secs. 2, 3, 10, and 11, T. 5 S., R. 4 W. B.M. In dry weather the property is accessible from the village of Jordan Valley, Oregon, by about 14 miles of dirt road that leads up Trout Creek to the Junction with the Cow Creek road. Here turn right and proceed up Cow Creek for about 2.5 miles, turn right fording Jordan Creek and follow the road around the west and south side of DeLamar Mountain. In snowy or wet weather it is best to leave Jordan Valley on U. S. Highway 95, proceeding north for 9 miles. Here, turn right and follow a gravel road for 2.6 miles to the old town of Sheaville. Turn right and follow a graded dirt and gravel road for about 15 miles up Cow Creek, then turn right and follow the road around the west and south side of DeLamar Mountain. Except during dry weather and periods of low water in Jordan Creek a 4-wheel vehicle is necessary.

GEOLOGY

The geology of the area has been described by:

Lindgren, Waldemar, 1900, The veins of Silver City and DeLamar: U. S. Geol. Survey 20th Ann. Rept., pt. III, p. 107-189

_____, and Drake, N. F., 1904, Silver City quadrangle [Idaho]: U. S. Geol. Survey Atlas, Folio 104

Piper, A. W., and Laney, F. B., 1926, Geology and metalliferous resources of the region about Silver City, Idaho: Idaho Bur. Mines and Geology Bull. 11

The geology of the DeLamar mine has been summarized in an application examination report, OME-6455, Continental Quicksilver, Inc., DeLamar mine, Owyhee County.

Carboniferous(?) sedimentary rocks, remnants of which have been found near the borders of the area, were intruded by granitic rocks of Pre-Tertiary age, possibly related to the Idaho batholith. Within the area most of the sedimentary rocks were removed by erosion which ultimately reduced the granitic surface to moderate relief. This surface was later covered by a series of lava flows the first of which were basaltic. These were followed by rhyolitic flows which now comprise the youngest rocks in the area but to the north still later basaltic flows cover the rhyolite.

At DeLamar Mountain the predominant surface rock is rhyolite with two relatively small exposures of basalt near the north and northeasterly base of the mountain. Florida Mountain is also comprised mostly of rhyolite at the surface with relatively small areas of basalt, one to the northwest and two to the southeast. In contrast, War Eagle Mountain is almost entirely composed of granodiorite except for four small areas of basalt near the top of the mountain and an area of rhyolite to the southeast.

In general, the veins in the three mountain areas are similar, and are described in some detail by Piper and Laney (1926). Most commonly they are quartz and valencianite fillings in fractures. At DeLamar the veins trend N. 25°-75° W. and dip 25°-55° SW. above the 6th level and 65°-80° SW. below the 6th level. In both the Florida Mountain and War Eagle Mountain areas the veins trend N. 10°-40° W. and dip 75°-80° SW., vertically, and 45°-80° NE. Piper and Laney (1926, p. 63) recognize four types of veins: (1) Fissures filled with massive ore-bearing milky quartz with varying amounts of crystalline quartz; (2) Fissures filled with lamellar, pseudomorphic quartz; (3) Silicified and mineralized shear zones; and (4) Cemented breccias, the cementing material being either

massive and crystallized quartz or pseudomorphous quartz. Some veins show more than one of these type characteristics.

At DeLamar Mountain most of the ore shoots underlie the DeLamar fault, the Henrietta fault, or the Chataqua fault, locally called the "iron dikes." These three faults belong to a system that has an average strike of N. 75° W. and an average dip of 27° SW. Fractures of the same set strike across the southern part of Florida and War Eagle Mountains according to Piper and Laney (1926, p. 45). In the latter two areas, however, the northwesterly fracture system along which most of the veins occur is much more prolific than in the DeLamar area, the veins appear to have greater strike length and the ore shoots are not entirely limited to the footwall or any faults of the east-west fault system; indeed some are several hundred feet north of any crossfaults. This apparent difference in vein length could be due in part to the fact that in basalt areas vein outcrops are often difficult to find and more difficult to trace on the surface than they are in the granite, and are often impossible to find and trace in areas of rhyolite. This is due to alteration by surface weathering in the basalt and to extreme alteration in the rhyolite. At DeLamar the veins have not been followed from rhyolite into the underlying basalt, but at Florida Mountain they have been productive in both rock types and at War Eagle they are mostly in granite. Thus, all three rocks have been hosts to ore deposition with no material change in richness or composition of the ore from one host rock to another.

EXPLORATION COMPLETED BY APPLICANT

Apparently, after studying the report by Piper and Laney (1926) and possibly other sources of information available to him, the Applicant became interested in the unmapped and little prospected area between DeLamar Mountain and the Florida-War Eagle Mountains. On a township plat map as a base he plotted by pantograph the areas mapped by Piper and Laney from plates I, II, and III in their report. Using an enlargement of the best topographic map then available, he projected the Chataqua, DeLamar, and Henrietta faults easterly, adjusting the traces of the faults by combining the average strike and dip with the topography. The projections appeared to correlate fairly well with three faults mapped by Piper and Laney south of Florida and War Eagle Mountains. He then ran four reconnaissance lines of soil samples across the area between DeLamar and Florida-War Eagle Mountains, and on the basis of "interesting geochemical anomalies," he located the Cook claims. To correlate the locations of "anomalous values" for heavy metals, mercury, and arsenic over known productive areas and veins, 5 check lines were run across areas mapped by Piper and Laney, 2 on DeLamar Mountain and 3 on Florida Mountain (Applicant's pls. 3 and 4). From these results he deduced that:

1. Productive vein zones are surrounded by a halo of high arsenic, with little or no arsenic in the zone.

2. Heavy metals anomalies occur in the vein zone.

3. Veins occur in zones of anomalously low mercury surrounded by anomalously high mercury halos.

The following analyses will show among other things that these deductions are not supported by the evidence he offers from known ore-bearing areas at DeLamar and Florida Mountains. Heavy metals assays include 1 at 60 ppm, 2 at 45 ppm, 1 at 40 ppm, and 4 at 30 ppm. None of these are as high as might be expected in areas of known production. Therefore, to make a fair appraisal of this application, it is necessary that an attempt be made to arrive at some norm for this region on which to base a cut-off value to separate what the applicant might consider "anomalous" values from background. Obviously, the cut-off values are somewhat arbitrary and exceptionally low, but they are believed to be relatively representative of the "anomalous" relief in this district, at least in the eyes of the Applicant. Study and analysis of the Applicant's plate 3 show that 30 soil samples were taken from the two test lines, M and M-Y, and assayed for heavy metals, with the following results:

No. of assays	Ppm bracket	Average ppm
16	0-5	3
5	6-10	9
5	11-15	13
2	16-20	18
1	Only	30
1	Only	40

On this basis it appears that 12 or more ppm heavy metals might be considered "anomalous," but only because 9 or 30 percent of the assays equal or exceed 12 ppm and only 4 assays, or 13 percent, exceed 15 ppm.

Of 30 samples assayed for mercury, the results show:

No. of assays	Ppb bracket	Average ppb
14	0-5	36
6	51-100	61
6	101-200	140
0	201-300	--
4	301-854	564

On this basis it appears that 30 or more ppb mercury might be considered "anomalous," but only because 14 assays or 47 percent equal or exceed 30 ppb; and that more than 100 ppb might be considered as "highly anomalous," but only because 10 assays or 33 percent exceed 100 ppb.

Of 30 samples assayed for arsenic, the results show:

No. of assays	Ppm bracket	Average ppm
18	0-10	3
7	11-20	15
3	21-30	25
1	Only	40
1	Only	80

On this basis it appears that 10 or more ppm arsenic might be considered "anomalous" even though 12 assays or 40 percent equal or exceed 10 ppm; and that more than 25 ppm might be considered "highly anomalous," although only 2 assays or 7 percent exceed 25 ppm.

A similar study and analysis of the applicant's plate 4 shows that 68 soil samples were assayed for heavy metals, with the following results:

No. of assays	Ppm bracket	Average ppm
19	0-5	3
19	6-10	9
18	11-15	15
4	16-20	20
4	21-25	23.5
2	26-30	30
1	Only	45
1	Only	60

These average values are not greatly different from those at DeLamar and indicate that 15 or more ppm heavy metals could be considered as "anomalous." Although 29 assays or 43 percent equal or exceed 10 ppm, only 12 assays or 18 percent equal or exceed 15 ppm.

Of 68 samples assayed for mercury, none of which show the very high values indicated at DeLamar, the results show:

No. of assays	Ppb bracket	Average ppb
39	0-30	18
26	31-60	45
3	61-73	68

On this basis it appears that 30 or more ppb mercury might be considered as "anomalous" and that more than 60 ppb might be considered as "highly" anomalous" in this area. Only 29 assays or 43 percent equal or exceed 30 ppb, and only 3 assays or 4 percent exceed 60 ppb.

Of 68 samples assayed for arsenic, the results show:

No. of assays	Ppb bracket	Average ppb
40	0-5	1.3
23	6-10	7.9
3	11-15	13
2	16-20	20

On this basis it appears that, as at DeLamar, 10 or more ppm arsenic might be considered as "anomalous," although only 5 assays or 7 percent equal or exceed 10 ppm. The two highest assays are only 20 ppm each. Based on the limited number of test lines and samples in each area, it appears that in this district assays in the order of 12 or more ppm heavy metals, 30 ppb mercury, and 10 ppm arsenic might be considered as "anomalous" and that 90 or more ppb mercury and 20 or more ppm arsenic might be considered as "highly anomalous." Compared to most mineral districts these values would be considered as background, but at DeLamar and Florida Mountains there are no true anomalies except for mercury, the highest of which are in a known mineral-bearing zone at DeLamar.

In the DeLamar area (Applicant's pl. 3) a total of 13 soil samples were taken along two lines within an area of known mineralization. Of these only 7 assays or 54 percent indicated 12 or more ppm heavy metals, and 2, taken on opposite sides of the center vein, showed no heavy metals. Of the 13 samples assayed for mercury, 12 assays or 92 percent showed "anomalous" amounts, but of these 4 contained from 116 to 176 ppb and 4 others contained 334 to 854 ppb mercury. Thus, although 4 samples or 31 percent showed low "anomalous" mercury, 8 samples or 62 percent showed "highly anomalous" mercury within the mineral zone. Of the 13 samples assayed for arsenic, 1 assay would have to be considered a high "anomaly" and only 4 assays or 31 percent indicated "low anomalies;" 8 assays were not anomalous, but if these are combined with the 4 "low anomalies," then 12 or 92 percent of the arsenic samples show "little or no arsenic within the mineralized zone."

Similarly, in the Florida Mountain area (Applicant's pl. 4) a total of 35 samples were taken along 3 lines across a known mineralized area about 1,100 feet wide. The area includes stations 41-52, inclusive, on line F-1, stations 33-44 inclusive, on line F-1, stations 33-44 inclusive, on line F-4, and stations 4-14 inclusive, on line F-2. Of these samples, 21 assays or 60 percent indicated "anomalous" amounts of heavy metals, but 2 samples on line F-2 contained no heavy metals. Of the 35 samples assayed for mercury, 14 assays or 40 percent showed "anomalous amounts;" of these none contained more than 90 ppb which is the indicated average high for the two areas of known production. Also, 21 samples or 63 percent did not contain anomalous amounts of mercury. Of the 35 samples assayed for arsenic only 1 assay showed "anomalous" values; the average of the other 34 assays is 3 ppm. Here, 100 percent of the test samples show "little or no arsenic within the mineralized zone."

Of the 48 samples from known mineral-bearing zones in the two areas, only 58 percent indicated "anomalous" amounts of heavy metals, 32 percent indicated low mercury "anomalies," but 17 percent indicated

high mercury "anomalies" within the ore zone, and 98 percent indicated "little or no arsenic." Thus, the only deduction of the Applicant that seems consistently valid is that little or no arsenic occurs in mineralized areas.

The Applicant's plate 2 shows several geochemical lines he has run across his claims: The original reconnaissance traverses on which he based his claim locations, and four traverses subsequently run across the claims. Lines 390, 395, 400, and 405 are spaced 500 feet apart. Along each line samples were taken at 100-foot intervals. The "anomalous" value of 12 or more ppm previously assumed for heavy metals is met by all but 15 of 128 samples; 30 or more ppb for mercury is met by 34 of 92 samples assayed, of which 6 are "highly anomalous;" and 10 or more ppm for arsenic is not even approached. Of the arsenic assays, only 10 out of 128 assays contained any arsenic at all with values ranging from 2 to 5 ppm.

The claim outlines and sample stations were traced on the accompanying overlays 1 and 2. The heavy metal assays were traced on overlay 1 and the mercury assays on overlay 2. The Applicant's revised projection of the DeLamar fault was added to each tracing from his plate 3a. On both overlays attempts at contouring have much to be desired, but because of erratically occurring values any further attempt would result in many small circles or lines that could be drawn in one or another of several directions and would be meaningless. However, the areas in which some success was achieved broadly indicate north to northwesterly trending zones of "anomalous" heavy metals and "anomalous" mercury. They also indicate that "high anomalies" of mercury occur near or within, and in general parallel to the heavy metal "anomaly" trends. This supports what an inspection of all samples assayed for both heavy metals and mercury suggests: That beyond a doubt in the majority of the Applicant's samples the respective heavy metals and mercury values vary directly. In fact, 15 out of a total of 21 mercury assays in excess of 100 ppb are associated with heavy metals assays of 12 to 40 ppm, 14 of them with 15 ppm or more heavy metals, and 8 with 20 ppm or more heavy metals.

Also shown on the Applicant's plate 2 are two geochemical traverse lines, F-1 and F-2, that extend from west to east across the side lines of his claim area and continue across the area shown on his plate 4. Between the side lines of the Applicant's claims there are in all 22 assays, 11 on each line; between his claims and the area shown on his plate 4 there are also 22 assays, 11 on each line. An average of the heavy metals, mercury, and arsenic assays along each line in each of the areas shows:

Line	Within the claims: Heavy metals ppm	Mercury ppb	Arsenic ppm	East of the claims: Heavy metals ppm	Mercury ppb	Arsenic ppm
F-1	15	116	0	8	58	11
F-2	4.5	29	8	9	34*	17

*One mercury assay of 1400 ppb is not included.

The segment of line F-1 within the Applicant's claims is the only one along which the average heavy metals content and all but two of the individual heavy metals assays are "anomalous." However, the average mercury content and 6 of the 11 individual mercury assays in this segment are "highly anomalous." On the Applicant's terms this segment might be said to represent a halo of high mercury, but it definitely does not represent one of high arsenic. The segment of line F-2 east of the claims might be said, again on the Applicant's terms, to represent a halo of high arsenic, but here the mercury is just barely "anomalous." Also, along the segment of line F-1 east of the claims only 3 of the heavy metals assays are "anomalous," all but 1 of the mercury assays is anomalous, and 6 of the arsenic assays are "anomalous," of which 1 at 46 ppm is "high" for this area. Finally, along the segment of line F-2 within the claims only 2 of the heavy metals assays, 2 of the mercury assays, and 1 of the arsenic assays are "anomalous," the last being 75 ppm arsenic.

At this point it might be well to summarize the foregoing:

1. In areas adjacent to the Applicant's claims that contain known mineral deposits, heavy metals assays ranged erratically from 0 to 60 ppm, mercury assays ranged erratically from 10 to 564 ppm, and arsenic assays ranged erratically from 0 to 80 ppm.

2. Based on the results of soil sampling in 2 areas of known mineral deposits, in order to be considered as possibly "anomalous" in the Applicant's view, assays should show 12 or more ppm heavy metals, 30 or more ppb mercury, and 10 or more ppm arsenic. Compared to values usually considered necessary to be truly anomalous these values are extremely low. In fact the only true anomalies in these 2 areas are 4 mercury assays higher than 300 ppb, all of which are of samples that contained 15 ppm or more heavy metals.

3. Of 48 soil sample assays taken in two areas of known mineral deposits, only 58 percent of the heavy metals assays and only 32 percent of the low mercury assays, but 98 percent of the arsenic assays meet the Applicant's concept that heavy metals anomalies associated with low mercury anomalies and little or no arsenic indicate potential exploration targets. The relative amounts of these elements in any given sample from within these areas vary so much as to make this concept untenable.

4. There are no truly anomalous heavy metals and arsenic values in any of the areas sampled including lines F-1 and F-2, and only nine of the mercury values are truly anomalous. Of the latter are eight within a known ore zone at DeLamar Mountain and one on line F-2 near the northeast corner of the Applicant's plate 2, containing 1400 ppb is associated with 30 ppm heavy metals.

5. In a broad, general way, the soil sampling so far completed on the Applicant's claims, when compared with that done in adjacent areas of known mineral deposits, indicates that possibly some further exploratory work is warranted. However, the erratic association of heavy metals, mercury and arsenic and the low "anomalous" relief do not successfully pinpoint target trends and it is improbable that more closely spaced sampling will add much in the way of more reliable information.

FIELD EXAMINATION

During the field season of 1965 the Applicant attempted to locate the faults which he had projected easterly from DeLamar Mountain, and to uncover evidence of the existence of possible veins or mineral areas by bulldozing. The location of these trenches are shown on the Applicant's Exhibit 3-a which accompanied the additional information furnished with his letter of September 27, 1965; details of the trenches as he mapped them while they were freshly opened are shown on his Exhibits 3-a-1-a through 3-a-4-d. Each of these trenches and other exposures were visited during the October 29, 1965 examination. Except for exposures in the trenches there has been very little geologic mapping. Exhibit 3-a shows patches of rhyolite and basalt and short traces of the approximate contacts between these two rock types, a few based on solid outcrops and exposures* but, for the most part, based on float. Much of the surface is covered by soil from about 2 to more than 8 feet.

Entering the property from the west, cut F (3-a and 3-a-3-b) was visited to look at the exposed rhyolite and basalt and the 3- to 5-foot wide gouge. Top soil here was about 3 feet thick and had been removed, but subsequent rains washed considerable material from the higher east side of the cleared ground obscuring much of the exposure. As nearly as could be determined, a grey gouge striking a little north of west separates rhyolite on the south from basalt on the north; the dip could not be determined. Both rock types are hard and not much altered; no sulfides were seen.

The next stop was at cut E which was inspected along with trenches H and I, and cut D (3-a and 3-2-1-a). Cut E exposes a wide zone of sticky grey clay bounded on the north by basalt fragments and an area of hard, slightly altered basalt, and on the south by float fragments of rhyolite. A band several feet wide of finer grained,

*in the trenches

sticky claylike material was found near the north side of the clay zone. Whether this band or even the entire zone represents a fault or merely weathered rock could not be definitely determined as the exposure was not very deep and the walls were sloughed. The band strikes about N. 80° W., but the dip could not be determined. That the clay band does represent a fault is probable, as there is a rapid change from the basalt to basalt fragments to clay within a distance of 15-20 feet. Rains, or rapid surface alteration, probably both, subsequent to the opening of trenches H and I have obscured any reliable evidence of the continuation of the probable fault in cut E; trench H is pretty well filled with debris, but the westerly end of trench I, which is about 8 feet deep, exposes a clay zone that may or may not represent a fault. No relatively sharp change between clay and basalt, such as was seen in cut E, is apparent. The exposed trench walls are claylike material for the entire length of the trench. The exposure was too poor to permit determination of either strike or dip. If the clays in cut E and trench I represent the DeLamar fault which has a flat southerly dip at DeLamar Mountain about 1.5 miles to the west, either the dip has steepened or the strike must make quite a northerly swing because the ground level at the west end of trench I is about 20 feet lower than it is near the center of cut E.

There has been some debris washed into cut D, but at two places zones of northwesterly shearing were observed about as mapped by the Applicant. Dips could not be determined, but the zone which the Applicant sampled was in altered basalt, light in color with small specks of pyrite(?). The easterly zone contained thin seams of gouge and was bounded by rhyolite to the northeast and basalt to the southwest. There was no evidence of sulfide minerals in this zone which might represent nothing more than a rhyolite-basalt contact although this could not be determined definitely.

At trench G (3-a and 3-a-3-c) all trace of the northeasterly striking lineations mapped by the Applicant was obscured by clay and debris washed in by rains subsequent to his mapping. The entire exposure appeared to be clay in various shades of grey. The 3-foot zone of green to yellow clay with some unaltered black glass and the 3-foot zone of green, yellow, or black iron oxide blebs could not be found even by picking into the clay mass, although at one or two places in the latter zone a few inches below the surface the grey clay appeared to have a slightly more greenish tint. According to Brown, the green and yellow colors of both zones were very prominent when the cut was freshly made. This again suggests rapid alteration at the surface after exposure.

Trench K disclosed a zone of greenish-grey clay near its northerly end and some evidence of a yellowish brown streak near its southerly opening (3-a-2-b). The limits of the two zones are obscured by rapid surface alteration and some material washed in by rains. The northerly trench at J is only a foot or two deep and exposes weathered basalt. The southerly trench at this site is also shallow and the yellow to brown pods of iron oxide were pretty much obliterated although picking around in that area suggested their presence. The only float in or by each trench was hard to soft basalt boulders and fragments.

Cut L (3-a-2-c) is gouged out of a trail and that portion of the cut in which the Applicant has mapped a westerly striking fault between basalt and rhyolite was filled with water so that the exposed fault zone could not be approached closer than about 10 feet. Beyond cut L the road cut exposes rhyolite and a northerly striking brown- to greenish-grey clay zone about 3.5 feet wide that dips 75°-80° westerly. There is no apparent difference in rhyolite on either side of the clay zone except that the rock seems to be somewhat harder and more siliceous for a few feet. The probability that the westerly striking faults exposed in cuts K and L are the same, as the applicant contends, is further evidenced by a very soft clayey section of road about 300 to 400 feet west of cut L (3-a).

Tunnel A (3-a-4-a) had about a foot or more of slime and water at the portal from where it could be seen that the walls also were covered by a brownish slime which would hide any significant details. For that reason and because the Applicant's map is acceptable, it was not entered. Inspection at the portal indicated that the tunnel had been driven through basalt to explore an apparent basalt-rhyolite contact. The first 15 or so feet of the tunnel has been bulldozed away and the present portal exposes rhyolite on both sides; basalt was found about 10 feet south of the portal. Material on the dump included considerable rhyolite, most of which showed evidence or propylitization. A few very small specks of pyrite(?) and considerable iron oxide were seen in both the basalt and the rhyolite on the dump and near the contact.

Tunnel B (3-a-4-c) was caved tight at the portal. The Applicant attempted to bulldoze away the caved portion as he had done at tunnel A, however, the basalt in which the tunnel was portalled became too hard within too short a distance to permit opening the portal by this method. On the slope above the tunnel is a northerly line beyond which all float is rhyolitic. Considerable iron oxide occurs in both rock types within a contact zone of mixed basalt and rhyolite float.

Pit M (3-a-3-e) is near the south end of an area of highly bleached and silicified rhyolite, quite different in appearance than any rhyolite seen elsewhere in the area. It has been called, locally, a plug and it may well be a source of some of the rhyolite flows in the area. On the dumps around this pit, and another one some 80 feet to the north, were pieces of white rhyolite and rhyolite-jasperoid breccia. The white rhyolite has bands of black material similar to obsidian. A grey clay up to 2 or 3 inches wide strikes about N. 10° W. and dips 60°-70° E.

Cut N (3-a-1-b) comprises two trenches, one bearing easterly and one bearing northeasterly, that converge at their down-slope ends. As in the other trenches in clay zones, rapid surface weathering and rains subsequent to the trenching have obscured all detail relative to clay banding along the trench bottoms. The northeasterly bearing trench is deep enough so that in the west wall near the location post of Cook 1 claim a definite zone of grey clay can be seen to dip about 20° SW. The strike was more difficult to measure but is about N. 60° W. Near the northeast end of this trench the wide zone of clay ends and blocky sheared white rhyolite is exposed, but the contact between the two could not be pinpointed within about 5 feet. The easterly bearing trench was too shallow to show much except that near the westerly end the trench is in soft sticky grey clay. The width, apparent strike and general appearance of the clay in this area is quite similar to that seen in cut E and could well be the same fault; the dip corresponds closely to the average dip in the upper part of the east-west fault system at DeLamar and is not too much flatter than the dip of the faults as mapped by Piper and Laney (1926, pl. I) south of the War Eagle Mountain.

Cut O (3-a-2-a) is a stretch of road bulldozed by the Applicant. The east (uphill) side of the road exposes a diorite dike about 200 feet thick that ends at a 2-foot wide zone of clay with crushed diorite on the footwall and crushed rhyolite passing into hard white rhyolite on the hanging wall. The fault strikes about N. 65° W. and dips 20° SW. The outcrop of this fault is at a higher altitude than the one exposed in cuts K and L and therefrom the two faults cannot be the same. It could be the Chataqua fault for, although it is about 250 feet north of the projected fault location, it is some 2,800 feet east of the start of the projection. An error of only 9 percent is not much under these circumstances.

A stream bed 75 to 100 feet west of cut O exposes for a distance of about 150 feet a shear zone with an apparent strike of N. 40° W. and vertical dip. The zone is up to 10 feet wide and consists of sheets of quartz alternated with diorite in the southeastern third and quartz alternated with rhyolite in the northwestern two-thirds. There is heavy iron oxide staining and some pyrite between the quartz and diorite or andesite, with some staining of the two wall

rocks. At the northwest end, the shear zone either merges with or is cut off by a zone of bleached, soft, light-colored rhyolite that contains considerably more pyrite. This zone is about 30 feet wide although the walls are obscured by debris, and appears to strike N. 20°-30° W. and dip steeply to the northeast.

About 75 feet east of the location post of the Cook 40 claim point P (3-a-4-b) is a zone containing quartz and altered basalt float, some of which is jasperoidal. The soil in this zone is more leached and lighter than that in the surrounding area of basaltic croppings and float. Three samples taken by the Applicant from the easterly half of this float zone assayed, respectively, south to north, 0.17 ounce silver and 0.003 ounce gold per ton, 0.20 ounce silver and 0.015 ounce gold per ton, and 0.27 ounce silver and 0.003 ounce gold per ton. These are the highest silver and gold assays of all the Applicant's samples; the next highest being only 0.04 ounce silver and 0.003 ounce gold per ton was taken near the portal of tunnel A. Geochemical assays of two samples in this area (line 445, pl. 2) are 5 ppm heavy metals, no assay for mercury, 10 ppm arsenic and 5 ppm heavy metals, no mercury, 40 ppm arsenic. In other words, the best silver showing presented is in an area of nonanomalous heavy metals and low to high arsenic anomalies.

Tunnel C (3-a-4-d) was not visited because the portal was caved; assays of the Applicant's samples from the dump were not of interest and his mapping elsewhere is acceptable.

After leaving the float zone at cut P, we returned on the road southerly for about 2.5 miles, then easterly for about 0.75 miles, then northerly passing along the west slope of Florida Mountain to the Jordan Creek road just east of Dewey (Applicant's pl. 1).

The wide clay zones observed in cuts E and I may be the easterly extension of the Delamar fault; the clays observed in cut G and possibly those in cut J may be the easterly extension of the Chatagua fault or possibly of a previously unrecognized fault in the Delamar Mountain area; and the clays observed in cuts K and L along with an abnormally soft 100-foot long stretch of road between them may represent the easterly extension of a previously unrecognized fault in the Delamar Mountain area, or possibly they represent the Chatagua fault. Collectively, they represent a major zone of east-west faulting that extends from west of Delamar Mountain to east of War Eagle Mountain. Their identification with one fault or another at each end of the zone does not seem to be of real importance. While many of the ore bodies at Delamar occur at or close to the footwall side of these faults, few, if any, of the ore bodies at Florida Mountain or War Eagle Mountain have such an affinity for the faults.

More important as guides to possible ore bodies are northwesterly to northerly striking structures having one or more of the vein characteristics described by Piper and Lancy (1926, p. 63). At the surface potential ore-bearing structures may appear to be simply clay-filled seams with little or no pyrite and with varying degrees of wall rock alteration.

Cuts D, G, O, M, and possibly K, and the float areas near tunnel B and cut P are worthy of some consideration. Although soil sampling has not been too informative, it is at least interesting to note some of the results in or close to these areas.

Within 100 feet northwesterly of the siliceous zone in cut D (3-a-1-a) one of the Applicant's earlier soil samples contained 15 ppm heavy metals, 447 ppb mercury, 0 arsenic, two others on line 395, one slightly west and the other slightly east contained, respectively, 30 ppm heavy metals, 113 ppb mercury, 0 arsenic and 33 ppm heavy metals, 94 ppb mercury, 0 arsenic. This exposure is just west of the northwesterly axis of one of the contoured anomalies on overlay 1.

Two hundred feet southeasterly of cut G (3-a-3-c) two soil samples contained, respectively, 30 ppm heavy metals, 33 ppb mercury, 0 arsenic and 33 ppm heavy metals, 36 ppb mercury, 0 arsenic; 3 more samples about 200 feet northwesterly contained, respectively, 30 ppm heavy metals, 0 arsenic, 20 ppm heavy metals, 0 arsenic, and 20 ppm heavy metals, 0 arsenic; no assays for mercury are shown on the Applicant's plate 2. This cut is on the east side of the northwesterly axis of the same contoured anomaly near cut D.

Along the projection of the banded and brecciated zone passing through pit M, about 300 feet southwesterly of the pit, two soil samples contained, respectively, 40 ppm heavy metals, 36 ppb mercury, 0 arsenic and 67 ppm heavy metals, 33 ppb mercury, 0 arsenic; about 400 feet southeasterly of the pit one soil sample assayed 93 ppm heavy metals, 44 ppb mercury, and 0 arsenic.

The sheeted quartz zone and the associated zone of altered rhyolite near cut O if extended southerly will pass between two soil samples on line 400 that contain, respectively, 20 ppm heavy metals, 0 arsenic, and 40 ppm heavy metals, 0 arsenic; neither sample was assayed for mercury. If extended northerly, the zone will pass between two samples on line F-1 showing, respectively, 15 ppm heavy metals, 62 ppb mercury, 0 arsenic and 15 ppm heavy metals, 139 ppb mercury, 0 arsenic.

In the area of iron oxide-stained float east of tunnel B four soil samples along line F-4 contained, respectively, from west to east across the zone, 5 ppm heavy metals, 48 ppb mercury, 0 arsenic; 5 ppm heavy metals, 22 ppb mercury, 0 arsenic; 15 ppm heavy metals, 15 ppb mercury, 0 arsenic; and 15 ppm heavy metals, 52 ppb mercury, 0 arsenic.

In the float zone east of cut P, where the highest silver assays were obtained, three soil samples contained, respectively, only 5 ppm heavy metals, 40 ppm arsenic; 5 ppm heavy metals, 0 arsenic; and 5 ppm heavy metals, 0 arsenic. No assays for mercury are given.

PRODUCTION

The most recent production figures available are those given by Piper and Laney (1926). Production of gold and silver in Owyhee County, Idaho, from 1863-1923 is tabulated on page 58. However, the respective ounces of gold and silver produced prior to 1880 are not recorded. Piper and Laney have estimated that between 1863 and 1880, 260,362 ounces gold and 6,082,965 ounces silver were produced and that the total production from the county through 1923 was 900,000 ounces gold and 27,000,000 ounces silver. On page 94 the production of gold and silver from DeLamar is tabulated for the years 1889 through 1914, showing a total production of 402,552 ounces gold and 5,873,088 ounces silver. Production from Florida Mountain is tabulated for the years 1865 through 1910 on page 121 showing a total production of 132,580 ounces gold and 15,421,700 ounces silver. No production figures are given for War Eagle Mountain. The difference between the total production from the county and that from DeLamar and Florida will give a production figure that will include War Eagle, but it will also include other sources within the county.

As these cannot be separated, let us for the moment consider that all the remaining production came from War Eagle. Then, at present prices:

Source of production	Ounces Gold	Ounces Silver	Value Gold	Value Silver	Value ratio Gold	Value ratio Silver
DeLamar	402,552	5,873,088	$14,089,320	$ 7,576,284	$1.86 ::	$1.00
Florida	132,580	15,421,700	4,640,300	19,893,993	$1.00 ::	$4.29
War Eagle	364,868	5,705,212	12,770,380	7,359,723	$1.74 ::	$1.00
Total	900,000	27,000,000	31,500,000	34,830,000	$1.00 ::	$1.10
			63,000,000	69,660,000		

As War Eagle production is based on the total estimated for the county perhaps it would be better to exclude it from the total, considering only the DeLamar and Florida totals which are:

Ounces Gold	Ounces Silver	Value Gold	Value Silver	Value ratio Gold	Value ratio Silver
535,132	21,294,788	$18,729,620	$27,470,277	$1.00 ::	$1.47

In terms of the entire county, past production has comprised 48 percent in gold and 52 percent in silver. Considering only DeLamar and Florida Mountains, it has comprised 40 percent in gold and 60 percent in silver. On either basis, any deposit that might be found should contain significant amounts of both gold and silver, with the gold content increasing towards DeLamar Mountain and the silver towards Florida Mountain.

SUMMARY

Using the term "anomalies" in a strictly local sense, soil sampling over areas containing known ore deposits shows in a general way low "anomalies" of heavy metals, low "anomalies" as well as true anomalies of mercury, and low to high "anomalies" of arsenic or, more often, no arsenic at all. The Applicant's premise that ore zones should contain heavy metal anomalies associated with low mercury anomalies, and little or no arsenic, is not supported by the data presented except in the case of arsenic. Virtually, all truly anomalous amounts of mercury occur in areas of known ore deposits and in most instances are associated with "anomalous" amounts of heavy metals, suggesting that mercury anomalies whether in the strictly local sense or whether truly anomalous, are higher in areas of known ore-bearing structures and therefore may be the best tracer of potential targets for further exploration. However, there are just enough low mercury values to cast some doubt as to the reliability of this possibility.

There is evidence in at least 5 and possibly 7 shallow cuts that 3 east-west faults cross the claims, but it is of no particular importance to establish their actual connection with specific similarly striking faults at DeLamar, Florida, or War Eagle Mountains.

Known ore bodies in the DeLamar, Florida, and War Eagle areas occur in northwesterly, northerly, and northeasterly striking structures that dip southwesterly at DeLamar, southwesterly to vertically at Florida, and from steeply southwesterly to steeply northeasterly at War Eagle. Northwesterly striking structures are in evidence at 5 shallow cuts or pits, 1 northwesterly to northerly structure is in evidence near cut O, and 2 northerly striking zones or iron oxide-stained-weathered float occur at 2 places.

Based on the available production figures DeLamar and War Eagle Mountains have produced nearly $2.00 in gold for each $1.00 in silver. The Applicant suggests that this is due to poor silver recovery during the periods of operation, but this can neither be verified or refuted. Florida Mountain has produced a little over $4.00 in silver for each $1.00 in gold.

CONCLUSIONS AND RECOMMENDATIONS

Considering all the data available, it is concluded that there is a fair chance of making a significant discovery of gold-silver ore bodies on the Applicant's claims and that a modest program of trenching followed by diamond drilling with Government participation at 62½ percent is warranted.

To test the silicified and pyritized exposure in cut D, the possible northwesterly structures exposed in cut G, and the heavy metal "anomaly" along which they lie, it is recommended that three trenches be bulldozed to bedrock at the approximate locations shown on plate 1. Trenches 1 and 3 should be about 350 feet long and trench 2 about 400 feet long. Trench 1 should be about 200 feet northwesterly from cut D along the strike of the exposure of pyritized(?) light-colored basalt; trench 2 should be about 250 feet northwesterly of trench 1 and so located as to expose the continuation of the cut D structure as well as of the two possible structures in cut G; trench 3 should be about 400 feet northwesterly of trench 2 and so located as to expose the continuation of any northwesterly structures found in trenches 1 and 2.

To test the extent of the sheeted quartz-pyrite zone west of cut O, it is recommended that trench 4 be bulldozed to bedrock at the approximate location shown on plate 1. This trench should start about 400 feet due north of the end of the dead end spur road near cut O, and should be bulldozed westerly for 230 feet.

To test the two zones of mineralized float, it is recommended that trenches 5 and 6 be bulldozed to bedrock at the approximate locations shown on plate 1. Each trench should be about 200 feet long and trench 6 should not be closer than 100 feet to the north exterior boundary of the claim group. Other than that, because of local topographic irregularities the exact locations of these two trenches should be left to the judgment of the person in charge of the work.

Diamond drilling should be provided for in the event that the results of the trenching give sufficient evidence that the indicated northwesterly and/or northerly striking structures are truly veins or vein zones warranting deeper exploration. Although no drill locations can be indicated at this time, in order to provide for all possibilities it is recommended that provision be made for 16 holes averaging 200 feet deep or a total of 3,200 of BX size core with provision for reducing to AX size core, if necessary. This would permit up to 5 holes in the trench 1-3 area, 1 each about midway between cut D-trench 1 and trench 1-trench 2, and 3 holes about 100 feet apart between trench 2-trench 3. These could be spaced wider apart or shifted along the northwest trend as information from the trenches may suggest. It would permit at least 3 holes about 200 feet apart in the cut 0-trench 4 area, and 4 each, spaced at 200-foot intervals in the trench 5 and trench 6 areas.

If none of the trenches give any encouragement, no drilling would be done; if less than all are encouraging, additional drilling in those areas would be possible.

COSTS

Total bulldozing will require time for 6 trenches totaling 1,750 linear feet, approximately 3 miles of dozer walking, short access roads to, and preparation of, 16 drill stations. Only in fault zones, and/or on some slopes near stream beds, will overburden be more than 6 feet deep and in most of the recommended trenches, it should not average more than 4 feet. However, because the depth estimate could be too conservative and some of the walking could present a problem, it is recommended that provision be made for 75 hours dozing and that a D-9 or equivalent size dozer with ripper be specified; the ripper will be necessary as bedrock is approached. Analysis of the three dozer bids presented shows that American Gold and Silver Company is the most favorable.

Drilling should be started BX size with provision for reduction to AX if necessary. Although neither of the two bids presented specifies whether the prices are based on standard or wire line rigs, drillers with whom I have talked say that they now use only wire line unless an operator requests standard rig. To avoid difficulty, it is recommended that the contract specify that either wire line or standard equipment may be used. The Applicant estimates that

No.

1 drill working 2 shifts per day will average 60 feet of hole per day. As some of the moves could be long, and there are usually unforeseen delays due to bad weather and/or equipment failure, this estimate is reduced to 50 feet per day and will require a total of 64 days, say 2.5 months. Seventy-five hours of dozing will require 9.37 days, say 0.5 month. Total time required to complete the work is estimated to be 3 months.

Actual Costs

1. Independent Contracts

Bulldozing:

5,280 feet of dozer walking
500 feet of drill access road
16 drill sites

D-9 or equivalent

Moving in and out	$ 400.00	
75 hrs at $30/hr	2,250.00	$ 2,650.00

Diamond drilling:

Mobilization and demobilization and moving	$ 1,200.00	
Drilling:		
Overburden--70 ft at $12.50/ft	868.00	
3,200 ft of drilling EX or EXWL at $8.75/ft (AX or AXWL $0.65 less than EX)	28,000.00	
Reaming and casing at $4.98/ft or cementing at $12/hr plus redrilling at $1.50/ft	3,984.00	
50 sacks lummite cement at $6.75	337.50	$34,389.50

Fixed Unit Costs[1]

Incidental allowance for each foot of drilling		
3,200 ft at $0.61/ft[2]	$1,952.00	
Assaying samples from trenches and drill holes		
100 assays for gold and silver at $3 each	300.00	2,252.00
Estimated Total Cost of Project		$39,291.50
Government Participation at 62½%		$24,557.19

1/ Includes all costs that would otherwise be allowable under categories (2) through (7) of the contract.

2/ For: Geologist, engineer, 1.5 mos at $750/mo plus FICA and other insurance at 15%	$1,293.75	
4-wheel jeep pickup worth $1,800 amortized at 1/60 for 1.5 mos.	450.00	
12 gal. gas/day 45 days at $0.35/gal.	189.00	
Oil, grease, etc. at 2% of fuel	3.75	$1,936.50

D. R. MacLaren
D. R. MacLaren

Enclosures
Distribution:
CMI(2)
USGS(SRO)
Docket
MacLaren

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
December 15, 1965

OFFICIAL COPY
O. M. E.
RECEIVED
DEC 17 1965
INITIALS | CODE

Mr. M. C. Brown, President
Sidney Mining Company
102 Weber Bank Building
Kellogg, Idaho 83837

Re: OME-6481 (Gold-Silver)
Sidney Mining Company
Cook Claims
Owyhee County, Idaho

Dear Mr. Brown:

Your letter of December 13, 1965, with two sets of enclosures has been received and one set of the enclosures has been forwarded to Washington, D. C. The copies of your report will be returned after they have served their purpose.

I will be out of the office from December 16th until after the first of the year. I will be glad to see you any time after January 31, but if you should plan to be in Spokane that week, I suggest that you telephone the office first so that I will be sure to be present.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

cc: OME

DRMacLaren/mls

Director's Reading File

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
December 15, 1965

OFFICIAL COPY
O. M. E.
RECEIVED
DEC 17 1965

INITIALS	CODE
	120
	120
	110

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: OME-6481 (Gold-Silver)
Sidney Mining Company
Cook Claims
Owyhee County, Idaho

left side of docket

Enclosed are a letter dated December 13, 1965, an Addenda 3-f with sketches, and a report dated December 11, 1965, which the applicant considers highly confidential and requests that it be returned when it has served its purpose.

I am completely unfamiliar with statistical analysis and therefore cannot make any comments on Brown's presentation. Assuming that his statistical analysis is correct, his conclusions indicate an area including DeLamar, Florida and Eagle Mountains and his claims is a good one in which to explore for mineral deposits. It also indicates an area in square 10N - 8E within his claims that offers the best chance of finding ore bodies.

In his application he gives more detail regarding trace amounts of heavy metals, mercury, and arsenic in two known areas of mineral production and in his claims. In my report which I hope to complete in the next day or so, I have attempted to find some way to pinpoint more specific target areas based on his geochemical work and what I was able to see during an on-site examination. I will submit what I have prepared but strongly urge that someone more versed in statistics review the enclosed report and if my analysis is based on faulty reasoning I will welcome your criticism and comments.

D. R. MacLaren

D. R. MacLaren

Enclosures

OFFICIAL FILE COPY

Date	Surname	Code

(5/23) THE FILE

November 24, 1965

Memorandum

To: The File

From: Harold Kirkemo, Geologist

Subject: Report on conversation with D. R. MacLaren, Field Officer, Region I

I called MacLaren today for information regarding an appropriate starting date for a contract with Continental Quicksilver, Inc., OME-6455. MacLaren reported that C. H. Reynolds, Manager, had suggested June 15, 1966.

MacLaren said he had a backlog of six reports to write and that presently he was writing a report on the Sydney Mining Co.'s Cook claims property, OME-6481.

He advised me that his files on Keystone Mines, Inc., OME-6304, had been sent to Bob Chapman and that until they were returned together with additional information he had requested, he could not respond to our request on November 18 for a recommendation regarding certification.

Harold Kirkemo

Harold Kirkemo

HKirkemo/mm

cc: Director's Reading File
Division File
Economic Geology File
OME Docket 6455
" " 6481
" " 6304
OME Reading File
Kirkemo

23263

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
October 25, 1965

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 27 1965

INITIALS	CODE
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	120 M

MEMORANDUM

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: OME-6481 (Gold-Silver)
Sidney Mining Company
Cook Claims
Owyhee County, Idaho

Enclosed are the original and two copies of a reply I have written to Congressman Compton I. White, Jr., and a copy of the Congressman's letter of October 19, 1965. I would prefer to have you see this reply before it is mailed so that you may have an opportunity to rewrite it should you wish to do so; otherwise, please mail the enclosed letter.

D. R. MacLaren

Enclosures

Selfridge ✓
10/27 Johnson

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
October 25, 1965

Hon. Compton I. White, Jr.
U S House of Representatives
Washington, D. C. 20515

Re: OME-6481 (Gold-Silver)
Sidney Mining Company
Cook Claims
Owyhee County, Idaho

Dear Mr. White:

In reply to your letter of October 19, 1965, relative to the application of the Sidney Mining Company for financial assistance in exploration, an appointment has been scheduled to meet Mr. Malcolm C. Brown, President, and to make an inspection of the property with him October 29 and 30, 1965.

I can assure you that careful and full consideration will be given to this application.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

DRMacLaren/mls

cc: OME w/cy incoming ✓

Director's Reading File

OME Reading File - approved by Mr. Johnson and mailed Thermofax to OME Region I

COMPTON I. WHITE, JR.
1st District, Idaho

Room 230
Cannon House Office Building

Home Address:
Box 520
Clark Fork, Idaho 83811

Congress of the United States
House of Representatives
Washington, D.C. 20515

COMMITTEES:
INTERIOR AND INSULAR AFFAIRS
SUBCOMMITTEES:
Irrigation and Reclamation
Mines and Mining
Public Lands
BANKING AND CURRENCY
SUBCOMMITTEES:
International Finance
International Trade

October 19, 1965

Honorable D. R. MacLaren
Field Officer
OMK Region 1
Department of the Interior
E. 157 Howard Street
Spokane, Washington 99204

Dear Mr. MacLaren:

I am writing you this letter relative to the application of the Sidney Mining Company, Kellogg, Idaho, for financial assistance in minerals exploration.

I have been advised by the Director of the Geological Survey here in Washington, that on October 6th this application was referred to your office for a possible field examination. I do hope that you can take expeditious action on this matter, as I would like to see this application processed as expeditiously as possible. This Company is exceedingly anxious to get started on this dozer trenching this fall. I do hope that you have sufficient information at your disposal to pass favorably on this matter. Kindly write me in the premises as soon as you have an opportunity to look into this case.

With kindest regards, I am

Sincerely yours,

(S) Compton I. White, Jr.

Compton I. White, Jr.
Member of Congress

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
10/20	Johnson	110
10/26	Cole	220
10/20	Hildegard	
10/21	Tweto	
10/21	Kupp	
	Baker	
		120 M

OCT 22 1965

Hon. Compton I. White, Jr.
House of Representatives
Washington, D. C. 20515

Dear Mr. White:

This will acknowledge receipt of your letter of October 13 enclosing a copy of a letter, dated October 8, 1965, from Mr. M. C. Brown, President, Sidney Mining Company, from Mr. John J. Peacock, Attorney at Law, Kellogg, Idaho, concerning the processing of the application of the Sidney Mining Company for exploration assistance.

On October 15, 1965, we informed you that this application had been referred to the OME Field Officer on October 8, 1965, for a possible field examination. Since then we have been advised by the OME Field Officer, D. R. MacLaren, in Spokane, that he recently discussed this application with Mr. Brown and has scheduled a field examination of the property for October 29.

The lack of sufficient information to support the proposed exploration and a heavy backlog of prior applications did not permit early action on this application. We sincerely regret any delay in the matter and wish to assure you that upon completion of the field examination every effort will be made to expedite our decision on the application.

The copy of Mr. Brown's letter to Mr. Peacock is returned.

Sincerely yours,

Walter Hibbard

Director

Enclosure

FEJohnson/gla (10-20-65)
cc to: General Files Copy
Division Copy
Director's Chron
Economic Geology File
OME Docket 6481
OME Region I w/cys incoming letters
OME Reading File
Mr. Johnson

167778

23263

L. HUNTE, JR.
[illegible], Idaho

Room 229
Cannon House Office Building

[illegible]
Box 1[illegible]
Coeur d'Alene, Idaho 83814

Congress of the United States
House of Representatives
Washington, D.C. 20515

COMMITTEES:
INTERIOR AND INSULAR AFFAIRS
SUBCOMMITTEES:
IRRIGATION AND RECLAMATION
MINES AND MINING
PUBLIC LANDS
BANKING AND CURRENCY
SUBCOMMITTEES:
INTERNATIONAL FINANCE
INTERNATIONAL TRADE

-3 3 PM

Honorable Thomas B. Nolan
Director
Geological Survey
UNITED STATES DEPARTMENT OF THE INTERIOR
Washington, D.C.

110

Dear Mr. Nolan

Reference is again made to [illegible] Mining Company, Kellogg, for financial assistance [illegible] ation of mining claims in Dockets [illegible] to know just what is holding up the approval of the [illegible] This morning I received further correspondence [illegible] J. Peacock, Attorney At Law, [illegible] to me the enclosed copy of a letter [illegible] by Mr. M. C. Brown, President of the Silver Mines [illegible] in Kellogg, dwelling further on this matter.

It is my hope that the information contained [illegible] attached will assist you in coming to a decision [illegible] and I look forward to hearing from you in the [illegible] with a favorable report, I trust, pertaining to [illegible]

With kindest regards, I am

Sincerely yours,

Compton I. White
Member of Congress

CIW:RBT

167778

SIDNEY MINING COMPANY

102 Weber Bank Building

Kellogg, Idaho

October 8, 1965

Mr. John J. Peacock
Attorney at Law
P.O. Box 659
Kellogg, Idaho 83837

Dear John:

In reply to your inquiry concerning the status of Sidney's application (Contract No. OME-6481) for financial assistance in the exploration of the Cook claims near Silver City, Owyhee County, Idaho, I must report that progress has been very slow, altho we had hoped for approval in time to do the dozer trenching this fall. The delay seems to stem from the OME interpretation that its function is to participate only in "exploration", not in "prospecting", so the definition of these words becomes very important. While they have not said so in these words, it appears that the OME definitions are that prospecting is looking for veins and exploration is looking for ore bodies in known veins. We believe that this distinction, if it ever was valid, is now out of date since the development of the techniques of geochemical prospecting. Research in these techniques was pioneered by the U. S. Geological Survey specifically as a method for indicating blind orebodies in areas covered by deep alluvium which escape detection by the older prospecting methods.

It is our belief that whenever prospecting, by whatever means, indicates the possible existence of an orebody, then the orderly trenching and drilling required to prove or disprove it is exploration. That is the situation on the Cook Group. Our extensive geochemical prospecting defined anomalous areas duplicating the geochemical picture over the old highly productive mines adjacent on each side of our property.

This summer we did additional dozer trenching and, at the request of [illegible] submitted data citing five instances confirming the projection of the northwest Delamar fault zones thru our property and eleven instances of [illegible] northwest striking fracture zones, thus confirming a structural [illegible] similar to that in the formerly productive Delamar and Florida Mountain [illegible] lying west and east of our property. While any of these fracture

[illegible] could be the surface expression of subsurface orebodies, it is more likely that more favorable structures exist in the anomalous geochemical zones where overburden is so deep that larger equipment, than the D-7 [illegible] we were able to afford, will be required to expose bedrock.

[illegible] is the exploration program we have proposed to the GME: to use larger equipment to trench across the entire area, exposing all structures, then to drill the most favorable ones.

[illegible] significant silver or gold assays can be obtained from present exposures, but that is to be expected. If encouraging assays could be obtained without extensive excavation they would have been followed by discoveries 75 years ago and we would not now have this exploration opportunity.

Sincerely,

M. C. BROWN
President

Form 7
(3)

OFFICIAL FILE COPY

Date	Surname	Code
10/13	Johnson	110
	Oldrige	120
10/14	Kilbourne	
10/14	Toohin	
10/14	Lewis	
10/15	Kuppa	
		120
10/15	Cole	220

OCT 15 1965

Hon. Compton I. White, Jr.
United States House of Representatives
Washington, D. C. 20515

Dear Mr. White:

We have your letter of October 8, 1965, requesting a report on the action taken with respect to the application of the Sidney Mining Company, Kellogg, Idaho, for financial assistance in minerals exploration.

On September 27, the applicant furnished additional information to support its application, and on October 6 we referred the application to the OME field office, Region I, Spokane, Idaho, for a possible field examination.

You may be assured that this application will be processed as expeditiously as possible.

Sincerely yours,

Acting Director

FEJohnson/bih 10/13/65

cc to: General files
Division file
Director's chron. file
Economic Geology file
OME file
OME reading file

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23263

COMPTON I. WHITE, JR.
[illegible]

[illegible]
[illegible]

[illegible]
[illegible]

Congress of the United States
House of Representatives
Washington, D.C. 20515

COMMITTEES
INTERIOR AND INSULAR AFFAIRS
SUBCOMMITTEES
IRRIGATION AND RECLAMATION
MINES AND MINING
PUBLIC LANDS
BANKING AND CURRENCY
SUBCOMMITTEES
INTERNATIONAL FINANCE
INTERNATIONAL TRADE

[illegible] 8, 19[illegible]

Honorable Thomas B. Nolan
Director, Geological Survey
United States Department of The Interior
Washington, D.C.

Dear Mr. Nolan:

This letter has reference to an application which has been submitted by the Sidney Mining Company, Kellogg, Idaho, Application No. 6461, for an, [illegible] assistance [illegible] action can be taken on this request. I will [illegible] look into this matter and furnish me with a report [illegible]

Assuring you I shall appreciate your cooperation and with kindest personal regards, I am

Sincerely yours

[illegible] White
[illegible]

CIW:RBT

1955

116

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
10/6	Johnson	110
	Selfridge	120
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		120M

OCT 6 1965

Memorandum

To: OME Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6481 (Gold-Silver)
Sidney Mining Company
Cook Claims
Owyhee County, Idaho

This is with reference to your letter of September 28, 1965, enclosing additional information submitted by the subject applicant in reply to our letter of August 17, 1965.

Although we have reservations concerning the basic assumptions for the proposed exploration, we are referring the application to you for review and, if deemed appropriate, a field examination and a report thereon with recommendations.

Support for the projected east-west faults is weak as well as that for the assumed north and north-west trending fracture zones. The anomalous areas do not appear to be much different in mineral content than the surrounding areas. However, an examination may indicate that the target areas are more favorable than apparent. If this appears to be the case and you can recommend a project, we agree that the proposed trenching should be modified as suggested in your memorandum of July 16, 1965. In this connection, the recent trenching by the applicant indicates that the average depth to bed rock will be somewhat more than six feet. Possibly the amount of trenching should be limited to the areas with high heavy-metal anomalies, and just north of the fault projections at the surface.

It is important that the faults and cross fracture zones be clearly defined for a follow-up drilling program. The drilling stage could be set up on the assumption that the favorable target areas would be defined under the trenching stage.

FEJohnson/bih 10/5/65
cc to: Director's reading file
Division file
Economic Geology file
OME file
OME reading file
OME Mr. Selfridge

(Signed) FRANK E. JOHNSON

Frank E. Johnson

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
10/6	Johnson	110
	Delgarde	120
		220
		120M

OCT 6 1965

Sidney Mining Company
102 Weber Bank Building
Kellogg, Idaho

Re: OME-6481 (Gold-Silver)
Sidney Mining Company
Cook Claims
Owyhee County, Idaho

Gentlemen:

The subject application is being referred to Mr. Don R. MacLaren, Field Officer, OME Region I, for review. Mr. MacLaren will contact you if he needs additional information.

Sincerely yours,

(signed) FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

FEJohnson/bih
10/5/65
cc to: Director's reading file
Division file
Economic Geology file
OME file
OME reading file
OME Region I

23263

E OF THE DIRECTOR

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON, D.C. 20240

(6481)

OFFICIAL COPY
O. M. E.
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AUG 18 1965
INITIALS | CODE
110
120

August 11, 1965

Hon. Compton I. White, Jr.
House of Representatives
Washington, D.C. 20515

Dear Mr. White:

With reference to your letter of August 5 concerning the application of the Sidney Mining Company for exploration assistance, we have checked with Frank E. Johnson, Chief, Office of Minerals Exploration, and have been advised that this application was received on July 22 and is being processed.

Effective July 1, 1965, the Office of Minerals Exploration and responsibility for conducting the exploration assistance program was transferred to the Geological Survey, and we have been assured that this application, as well as other requests for assistance under the program, is being moved toward final action as expeditiously as the required review of the proposed exploration permits.

Sincerely yours,

Frank C. Memmott
Acting Director

cc:
Frank E. Johnson, Chief, Office of Minerals Exploration

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
8/17	Johnson	110
		120
8/17	Cal	220
		120M

AUG 17 1967

Sidney Mining Company
102 First Security Building
Kellogg, Idaho 83837

Re: OMK-6481 (Gold-Silver)
Sidney Mining Company
Cook Claims
Owyhee County, Idaho

Gentlemen:

A careful review of your application for financial assistance in exploration for silver on the Cook Claims in Owyhee County, Idaho, does not reveal sufficient information to enable us to determine the merits of your proposed exploration.

Your expectation of finding silver-bearing ore on your property apparently is based, in part, upon inferred geological and mineralogical conditions occurring on your property similar to those indicated on former productive gold-silver properties in the general area. However, support is lacking for the projections across your property of major east-west trending faults or the assumed northwesterly striking fractures between the fault projections. The results of the soil sampling on your property relating to heavy minerals do not appear to indicate deviations from a background count greatly in excess of what would be expected in a mineralized area; consequently, the anomalies you have outlined may represent only variances in mineral concentrations normally occurring in a mineral province.

Your proposal would be more acceptable for an exploration project if prior trenching on the property exposed fault and vein structures, and assays of samples showed evidence of interesting amounts of gold and silver mineralization on the property.

If you should perform additional work on the property so as to give greater support as indicated above to your proposed exploration, we would be glad to give further consideration to your proposal. In

23263

this case, a recent financial statement of your company would be required. Also, at least two bids from contractors for performing bulldozing and drilling should be submitted.

We find no evidence to expect silver to be predominant in dollar value if ore were found on the property as the ratio of gold to silver in dollar value for the production from the Carson mining district is reported as being about equal and the ratio in dollar value of gold to silver for the production from the Delamar mine is reported as being about 2 to 1. Therefore, if a contract to explore your property could be granted, the Government's participation in costs would be less than 75 percent.

This request for additional information should not be construed that a contract will be granted.

Sincerely yours,

(signed) FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

FEJohnson/bih/gla (8-17-65)
cc to: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File
OME Region I

July 22, 1965

Sidney Mining Company
102 First Security Building
Kellogg, Idaho 83837

Subject: OME-6481

Gentlemen:

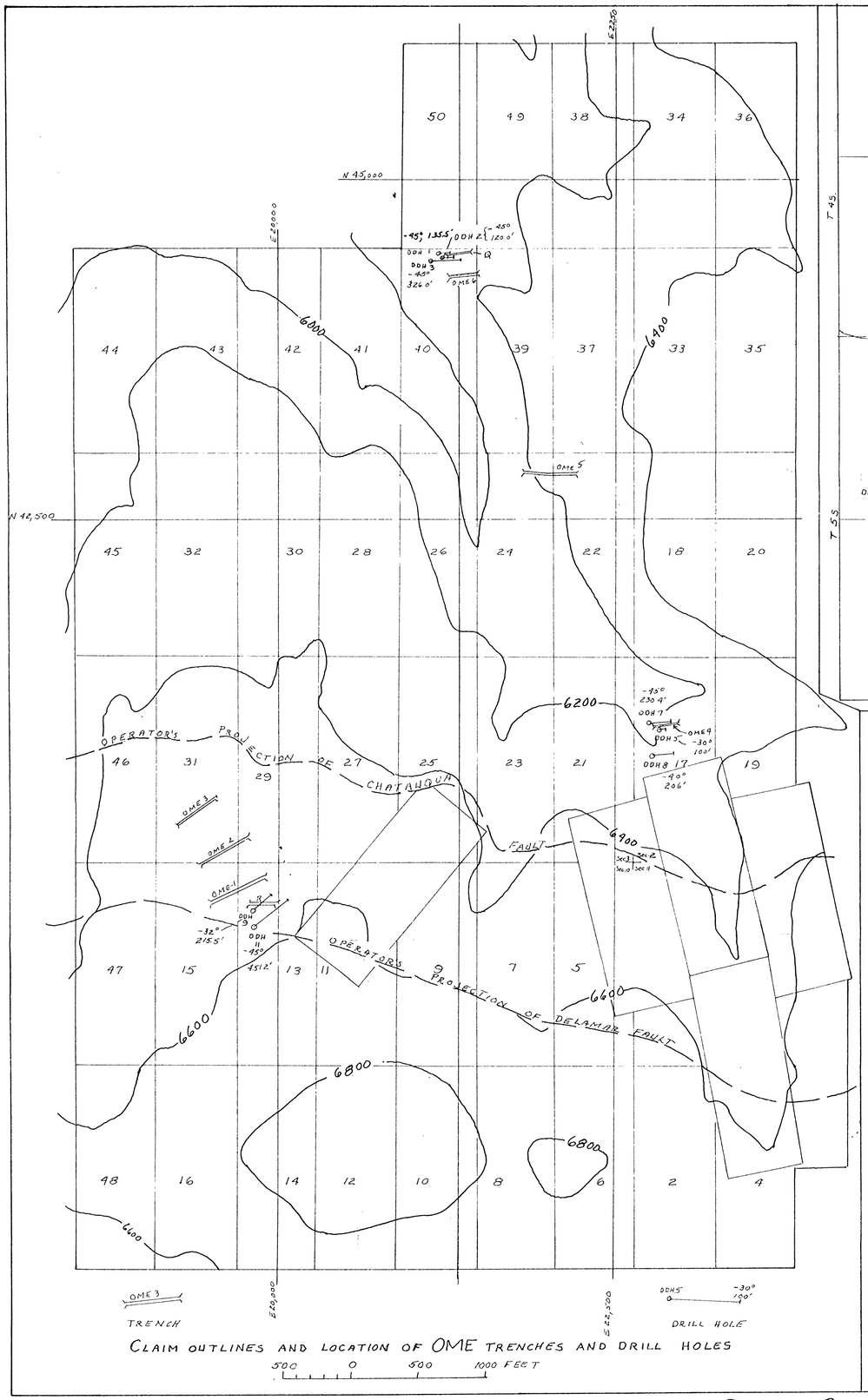
Your application for exploration assistance, dated July 9, 1965, submitted to our office at Spokane, Washington, has been assigned Docket Number OME - 6481.

Please identify all future correspondence relating to your application by this docket number.

Sincerely yours,

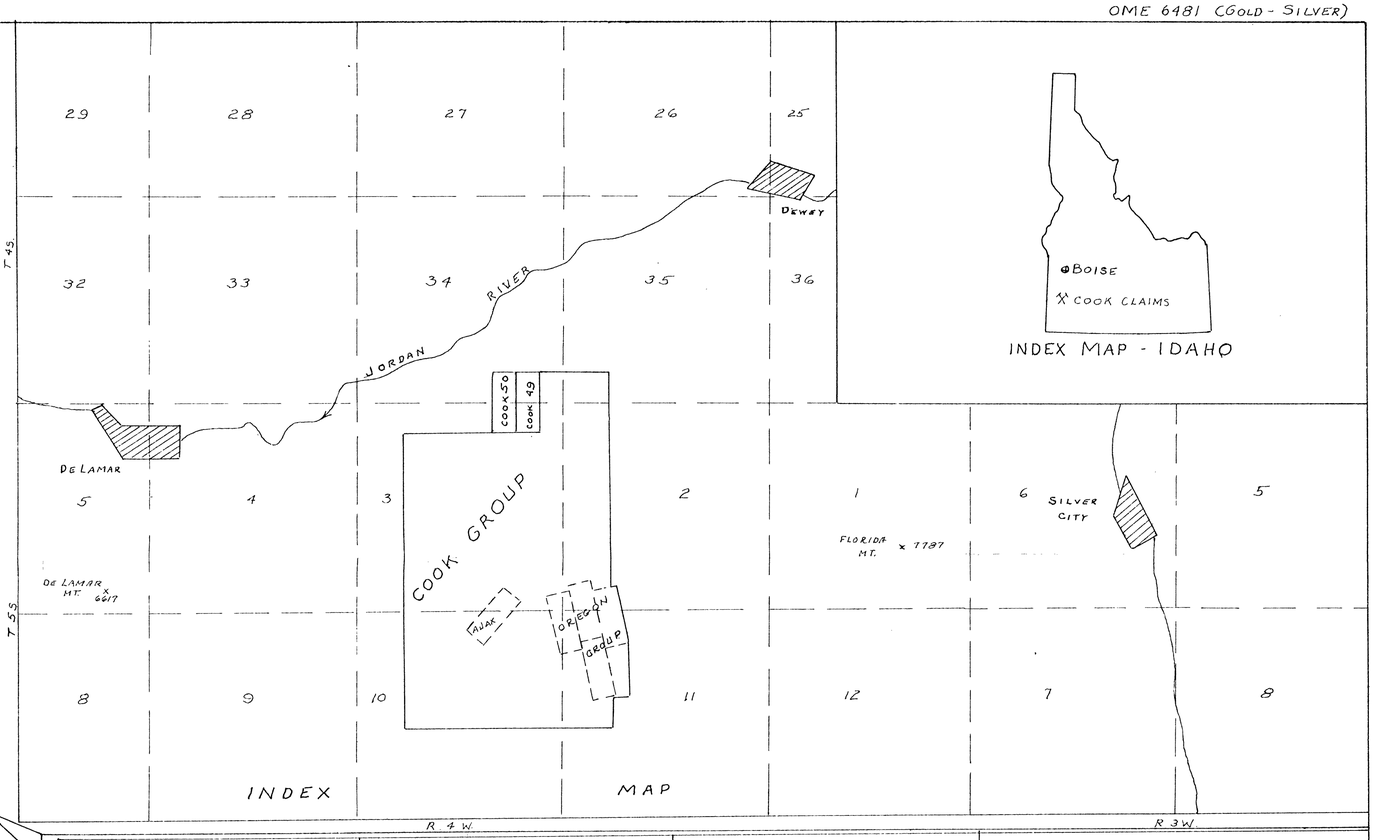
Frank E. Johnson
Chief, Office of
Minerals Exploration

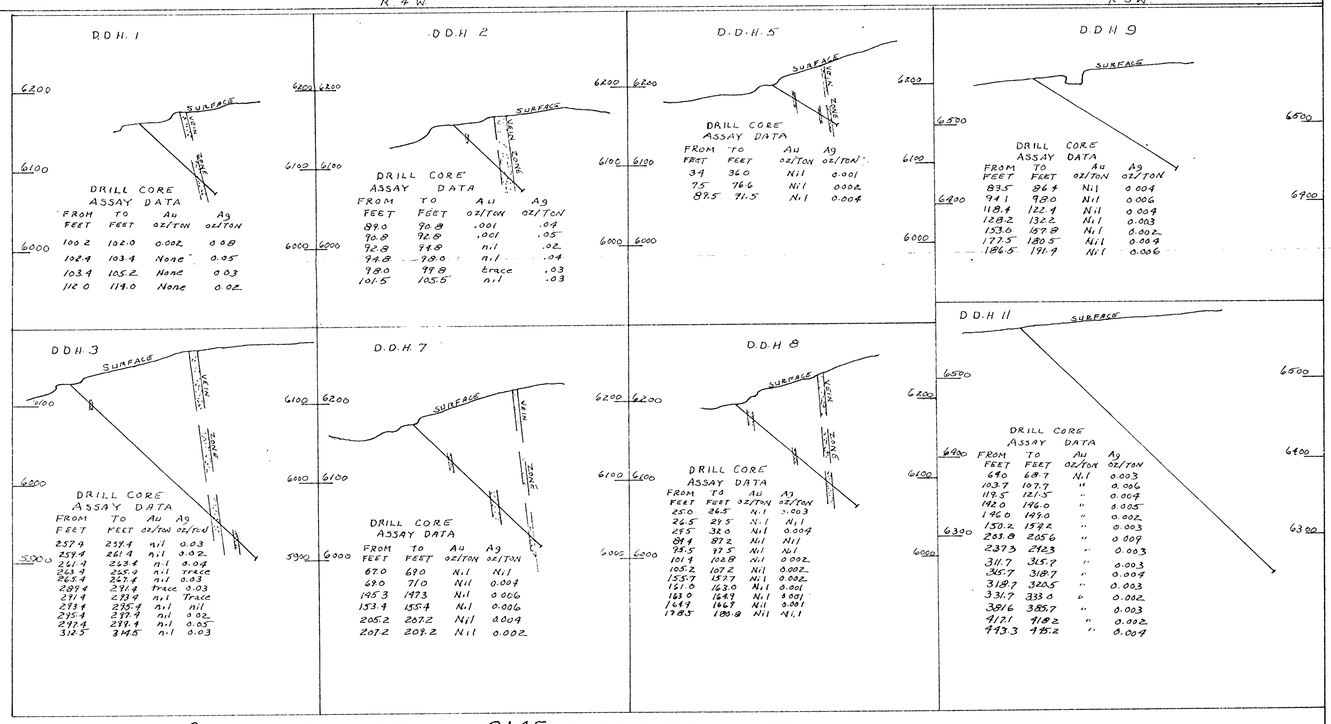
Copy to Region I



CLAIM OUTLINES AND LOCATION OF OME TRENCHES AND DRILL HOLES

500 0 500 1000 FEET





CROSS-SECTIONS THROUGH OME DIAMOND DRILL HOLES

COUNTRY ROCK IS BROKEN BASALT

100 0 100 200 FEET

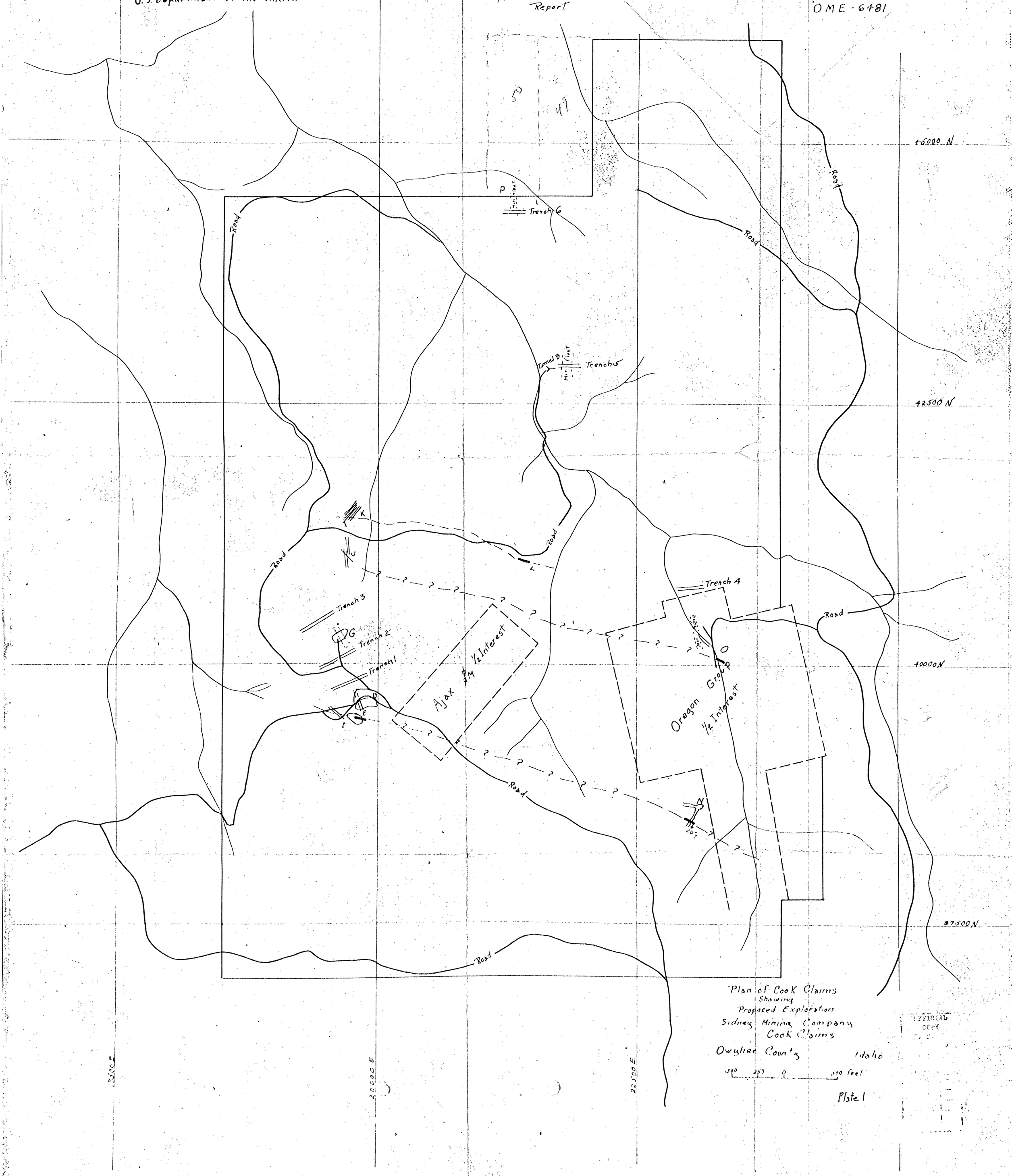
COMPILED FROM SIONEY MINING CO'S RECORDS 8/71 BY W.P.P.

FIGURE 1 - LOCATION MAPS AND CROSS-SECTIONS, COOK CLAIMS, OWYHEE COUNTY, IDAHO

U.S. Department of the Interior

Application Examination Report

OME-6481



Plan of Cook Claims
Showing
Proposed Exploration
Sidney Mining Company
Cook Claims
Owyhee County Idaho

300 200 0 300 feet

Plate I

TYPICAL COPY

Base enlarged from BLM plats T.4 & 5S., R. 4W. B.M.
Drainage revisions from USGS preliminary field sheets
Detail from compass, tape & pace traverses by M.C.Brown, 1964-65
Drawn Sept 23, 1965 MCB

COOK GROUP

OWYHEE COUNTY, IDAHO

500 0 500 1000 1500 2000 Feet

SCALE: 1" = 500'

Geologic Notes

Exhibit 3-a