DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE Idm-E NO._____ DMEA NO. 5046

Application
- [x] Denied
- [ ] Withdrawn

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

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

Folder No. 1:

Left Side

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

Right Side

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

Additional Folders:

Left Side

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

Right Side

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

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

Folders No._____: Settlement Sheets

Folders No._____: Drill Logs

Folders No._____: Royalty material

17963

Copy

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 9 1958
DATE | INITIAL | CODE

L E A S E

THIS AGREEMENT, made and entered into this 22nd day of May 1958 by and between RUSSELL MANGER, of White Sulphur Springs, Montana, and CLARENCE R. OLIPHANT, and ED C. HUGHES, of Butte, Montana, the Lessees,

W I T N E S S E T H

(1) That for good and sufficient consideration, the receipt whereof is hereby acknowledged, the Lessors hereby lease to the Lessees for a term of five (5) years, commencing at 12:00 o'clock noon, Mountain Standard Time, on the date hereof, those certain lode mining claims situated in Castle Mountain Mining District, Meagher County, Montana, described as follows, to-wit:

Mother	Survey	No.	2454
Corlus	"	"	2456
Mary Martin	"	"	2455
Blackhawk	"	"	2425
Bondholder	"	"	2423
Alice	"	"	4038
Altha	"	"	3231
Annie Maude	"	"	2424
Aloona	"	"	3512
R.S.C.	"	"	3229

All in Section 36, Township 9, Range 8

together with any and all water rights, ditches and ditch rights appurtenant to said property, or any thereof, owned or used in connection therewith, and the right to use the same either on or off the said property, and together with all machinery, equipment, buildings and other improvements now on said property or owned or used by Lessors in connection with said property, and any and all ore dumps and tailing dumps situated on said property, and together with all and singular the tenements, hereitaments and appurtenances belonging or in anywise appertaining to said property.

(2) The Lessees shall pay or cause to be paid to the Lessors, as rental for the said property, a royalty of ten per cent (10%) of the net smelter, mill or mint returns upon any and all ores extracted

from the said property. Net smelter returns shall be defined as the cash proceeds of such ores after deduction of transportation, smelter, mill and mint charges only. Royalty payments shall be made by smelter to which ores are shipped directly to lessors.

The said royalties shall be paid direct to the Lessors at White Sulphur Springs, Montana, and the Lessees shall notify the Lessors in writing of each shipment made from the said property including dates, approximate weights and name of smelter, mill or other purchaser. Any bonus or subsidy payments shall be construed for royalty in the same manner as ore shipped.

(3) Beginning with the month of October, 1958, the Lessees shall perform at least twenty (20) man shifts of labor upon the said leased properties during each calendar month; provided, further, that if the price of lead or silver or both, shall decline to a point at which, in the joint opinion of the Lessor and Lessees, the said leased properties shall not be profitable to operate then this monthly work requirement shall be suspended and inoperative until said price or prices shall improve to a point at which the said leased properties shall, in the opinion, joint, of the Lessees, and Lessor, be profitable to operate.

(4) The Lessees shall keep the said property free and clear of liens for labor done or performed thereon, or materials furnushed to the Lessees on or for the same, and shall save the Lessors harmless from all costs, loss, or damage which may arise by reason of injury to any persons employed by the Lessees in or on the said property or any part thereof, or which may arise by reason of injury to any person, livestock or other property as the result of any work or operation of the Lessees, or of the Lessees' possession or occupancy of the property

(5) The Lessors shall have the right, at their own cost or risk, to be present in person or by representatives at all reasonable times during operations, but without any interferance with operations, and to examine the workings and operations of the Lessees and to examine the Lessee's books with respect to sampling, assaying, mint, smelter and mill returns and records of shipments of ores and minerals extracted

from the said leased properties.

(6) The Lessees shall carry at all times during the term of this lease affective coverage for all their operations and all employees in said operations under this lease, under one of the outhorized plans of the Workmen's Compensation Act of the State of Montana, and such liability and other insurance as shall be required by the laws and mining regulations of the State of Montana.

(7) Time is the essence of this agreement, and failure of the Lessees to make or cause to be made any payments as herein provided, or to keep or perform any agreement on their part to be kept and performed in accordance with the terms and provisions hereof shall, at the election of the Lessors, work a forfeiture hereof, and any and all moneys which shall have been paid by the Lessees to the Lessors as royalties or otherwise shall be deemed forfeited to the Lessors; provided, however that in the event of a default on the part of the Lessees and the election of the Lessors as aforesaid to terminate this lease on account thereof, the Lessors shall give to the Lessees written notice of Lessors' intention to declare a forfeiture hereof and to terminate this lease on account of said default, which notice shall specify the particular default or defaults relied upon, and the Lessees shall have thirty days after such written notice from the Lessors in which to remedy said default or defaults, and if the same shall be so remedied there shall be no forfeiture therefor. A waiver by the Lessors of a particular breach of any covenant or agreement shall not be construed as a waiver of any other breach, nor shall ir impair the Lessors' rights resulting from such other breach.

(8) In the event that the Lessees shall be delayed at any time in keeping or performing any agreement, provision or covenant on their part to be kept or performed hereunder by any act or neglect of the Lessors, or by strikes, lockouts, unusual delay in transportation, order of duly constituted governmental authouity, unavoidable casualty, act of God or any other cause beyond the control of the Lessees, such delay shall not be deemed a breach of this lease or a default on the part of the Lessees constituting a cause for forfeiture of this lease, and during any time said Lessees are so delayed they shall be excused from the performance of such of the provisions hereof as shall be delayed thereby.

(9) Any and all machinery, equipment, implements, devices, rails, pipes, piping, tools, and other property of whatever nature that has been or may hereafter be placed upon the said leased property or any part thereof for any purpose by the Lessees, shall be and remain the property of the Lessees and shall not become a part of the realty or real estate or a fixture or fixtures, and all thereof shall be personal property removable by the Lessees and may be removed from the realty by the Lessees or their successors or assigns at any time prior to the termination of this lease by lapse of time or otherwise, or at any time within sixty days thereafter; provided however, that all timbering in place in any shafts, drifts, tunnels or other underground workings shall remain in and upon the premises and become a part thereof, and the Lessees shall not remove any thereof; and provided, further, that if the Lessees shall be delayed in removing any of their said personal property by or because of any cause or condition mentioned or referred to in paragraph (8) thereof, then said Lessees' time for removal shall be extended for a time equal to the time during which they shall be so delayed.

(10) The Lessees shall have the right to cancel, terminate and surrender this lease and relinquish the property to the Lessors at any time during the term hereof, or any extension or renewal thereof, by giving the Lessors written notice of their intention so to do at least thirty day prior to the date when they shall so cancel, terminate and surrender the same.

(11) In further consideration of this lease, the Lessors do hereby grant to the Lessees the option to renew this lease, upon the same terms and conditions, for successive additional periods of five (5) years each, as long as the mine is in production and so long as this lease shall not be forfeited or cancelled, or otherwise terminated. In the event that the Lessees shall exercise said option to renew, they shall notify the Lessors in writing of their intention so to do at least thirty (30) days before expiration of the then current term hereof.

(12) Any notice to be given the Lessors by the Lessees hereunder shall be deemed given when the same shall be deposited in any United

States Post Office, addressed to the Lessors at White Sulphur Springs, Montana, or such other address as the Lessors shall in writing designate, with full first-class postage prepaid thereon. Any notice to be given the Lessees by the Lessors hereunder shall be deemed given when the same shall be deposited in any United States Post Office, addressed to the Lessees at 1301 Porphyry Street, Butte, Montana, or such other address as the Lessees shall in writing designate, with full first-class postage prepaid thereon.

(13) Upon termination of this lease by lapse of time or otherwise, the Lessees shall surrender peaceable possession of the said property and every part thereof; provided, however, that the Lessees shall have sixty days after such termination, as hereinabove provided, within which to remove all property of whatever nature by them placed upon the said premises, and not belonging to the Lessors.

(14) This agreement shall extend to and be binding upon, and shall inure to the benefit of the heirs, executors, administrators, successors and assigns of the respective parties hereto, but Lessors shall be notified in writing as herein specified of any assignment by Lessees, or their subsequent assignees.

IN WITNESS WHEREOF, these presents have been duly executed the day and year first above written.

Russell Manger LESSOR

Clarence R. Oliphant LESSEE

Ed C. Hughes, LESSEE

STATE OF MONTANA }
COUNTY OF MEAGHER } ss.

On this _____, before me _____ clk.& Rec. a Notary Public for the State of Montana, personally appeared Clarence R. Oliphant and Ed C. Hughes, known to me to be the persons whose names are subscribed to the foregoing Lease, and severally acknowledged to me that they executed the same.

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

_____

Hannah M. Brady
Clerk & Recorder
Meagher County
White Sulphur Springs, Montana

STATE OF MONTANA)
) ss.
COUNTY OF MEAGHER)

On this_____,before me_____ a Notary Public for the State of Montana, personally appeared Russell Manger and known to me to be the person whose names are subscribed to the foregoing Lease, and severally acknowledged to me that he executed the same.

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

_____

Notary Public for the State of Montana
Residing at_____
My Commission expires_____

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~~[illegible]~~	RUN	~~[illegible]~~
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UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
So. 157 Howard Street
Spokane 4, Washington

ORIGINAL FILE COPY
DMEA
JUN 9 1958

June 4, 1958

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

Re: New Application (Manganese-Lead-Silver)
Clarence R. Oliphant
Blackhawk Mine
Meagher County, Montana

Dear Mr. Selfridge:

Enclosed are the original and two copies of an application for DMEA aid to explore for manganese and lead in Meagher County, Montana.

The applicant proposes a three-stage program of trenching, diamond drilling, and shaft sinking followed by drifting at a total estimated cost of $447,216.90.

As soon as the maps and leases referred to in the applicant's letter are received, we will forward them.

A field examination will be scheduled for the week of June 9, 1958.

Sincerely yours,

D.R. Wackerer
for A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region I

Enclosures

cc: USBM (2)
Prinz

May 31, 1958
Lennup, Montana
Phone Lennup No.1, Burke Store

Executive Officer of DMEA
Geological Survey
157 South Howard
Spokane, Washington

Att: Mr. W.C. Prinze

Gentlemen:

Enclosed is an application for DMEA loan.

Maps and copy of lease will follow in few days.

Yours truly,

Clarence R. Oliphant

RECEIVED
JUN 2 1958
U.S.G.S.
SPOKANE WASH.

Form MF-103
Revised Oct. 1957

UNITED STATES
DEPARTMENT OF THE INTERIOR

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

DEFENSE MINERALS EXPLORATION ADMINISTRATION

APPLICATION FOR AID IN AN EXPLORATION PROJECT

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

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

Clarence R. Oliphant

Lennup, Montana

RECEIVED
JUN 2 1958
U. S. G. S.
SPOKANE, WASH.

APPLICANT NOT TO USE THIS BLOCK

Docket Number	DMEA-5046
Date Received	6-9-58
Government Participation %	
Region	I
Division Code	400

BUSINESS ORGANIZATION *(Check one)*

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

State in which firm is organized

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

Name	Address	Title
Clarence R. Oliphant,	Lennup, Montana	Partner
Edward C. Hughes,	1301 Porphyry St., Butte, Montana	Partner

Mineral(s) for which you wish to explore
MANGANESE, LEAD, SILVER

Estimated Cost of Project
$ 447,216.90

LOCATION OF PROPERTY

Name	County	State
BLACKHAWK	meagher	Montana

GENERAL INSTRUCTIONS

Before filling out this application, please read DMEA Order-I, Revised, "Government Aid in Defense Exploration Projects." To assure prompt action, your application must provide all applicable material and information specified on the back of this application form. Avoid unnecessary correspondence and delays by submitting complete and accurate information. *Please submit four copies of this application and all accompanying papers* except as otherwise noted. Place your name and address on each sheet. Each item of information, maps, and reports required as a part of this application is described on the back of this form. Identify each attached statement by the item number to which it applies. If an item does not apply to your application, show the item number on your statement and after it write "not applicable." Maps or sketches should be used to supplement narrative descriptions of the property location and boundaries in item 1, existing mine workings and geology in item 2, and the proposed exploration project in item 4. When this information is not too complex, all of it may be shown on one map or sketch. All documents and other attachments submitted as a part of this application, except those in item 2(g) which you mark to be returned, become the property of the Government and will not be returned to the applicant. Send true copies, *not originals,* of leases, contracts, and other documents which are an essential part of your business records. *File this application with the Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest DMEA Field Office.*

CERTIFICATION

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

May 31, 1958
Dated

C. R. Oliphant
BY *(Signature)*

Partner
Title

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

INFORMATION REQUIRED WITH THIS APPLICATION

1. *Applicant's Property Rights:*

(a) State the legal description (section, township, and range; metes and bounds; patent number of claims) of the land upon which you wish to explore and all land adjacent to the proposed project area which you own or control. Describe any part of the project land or workings which should not be subject to Government lien for royalty payments. If the land consists of unpatented claims, state the book and page number for each recorded location notice, including amended locations, and the place where recorded (courthouse, recorder's office, county, and state).

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

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

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

2. *Physical Description:*

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

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

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

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

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

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

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

3. *Accessibility of Project:*

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

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

4. *The Exploration Project:*

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

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

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

5. *Experience:*

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

6. *Estimate of Costs:*

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

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

(b) Personal services. For necessary supervision, engineering and geological services, and labor, include an itemized schedule of numbers, classes, rates of wages, salaries or fees, and periods of employment. State whether these technicians and employees are available.

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

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

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

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

(g) Miscellaneous. For the operating equipment listed in 6*(d)*, describe the type and estimate the cost of repairs and maintenance expected during project operations. Do not repeat initial repairs listed in 6*(e)*. Show also the costs of analytical work, accounting, workmen's compensation and employees' liability insurance, payroll taxes, and other required costs that do not fall within the previous categories.

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

7. *(a)* State whether you are prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation stated in Sec. 7 of DMEA Order–I, Revised.

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

* * * * *

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

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D M E A
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1. Sec. 36, T.9N, R.8E.

a.

Marie Martin		2455
Mother		2454
Corlus		2456
Bond Holder		2423
Aloona		3512
RSC		2229
Neveda		3146
Altha		3231
Blackhawk		2425
Alice	4038	2424
Anna Maud		2424

b. By above names or Smith's camp, Blackhawk Group

c. Lessee

d. None

2. PHYSICIAL DESCRIPTION

a. Only work on these claims was for patent purpose; all work done before 1890 - other ten (10) days dozer work in May 1958 by H.C. Oliphant. Re:to Robie, B.M. information circular No. 7540.

b. bulldozing cuts only

c. No record other than Robie states limited production in Bureau of Mines Circular no.7540

d. There are no known ore reserves on the property other than ore exposed by bulldozings, assay certificates enclosed.

e. Maps enclosed, Re:circular No.7540

f. The small amount of bulldozing work done has shown a large structure and samples indicate there may be commercial ore. Re: to maps - sample method shown on map

g. Re:to Bureau of Mines information circular No.7540 Mines & Mineral Deposits, Meagher County, Montana

3. ACCESSIBILITY OF PROJECT

A. C.R.Oliphant, Lennup, Montana
Forest Service road crosses property, good, no accessible mine working, except dozer cuts

b. Lennup, Montana, or White Sulphur Springs, Montana
Both towns about twelve (12) miles distant from property.

4. THE EXPLORATION PROJECT

a. The proposed project will be conducted in three (3) stages - Re: to map.

Stage No. 1, will be a complete bulldozing program, consisting of 25,600 feet of lineal trenching, 12 feet wide, 10 feet deep.

Stage No. 2, 10,000 feet of diamond drilling - AX core

Stage No.3, 250 feet of shaft. Shaft 4 ft by 8 ft. inside of timber, and 2000 feet of drifting 5 ft. x 7 ft. - Complete mapping & sampling of all exploration work.

a. The bulldozing or trenching will start at the Altha claim No.3231, on the S.E. end of Altha claim as indicated on map enclosed. No. 1 trench 600 feet long by 12 feet wide, depth 10 feet. Five additional cuts will put on Altha claim 200 feet long, 12 feet wide, 10 feet deep. Approximate 1000 feet additional cut will be done if required to show structure.

b. On the R.S.C1 claim No.3229, a trench will be run on the Southern end of the claim as indicated on map. Length of cut 600 feet, long, 12 feet wide, 10 feet deep. five additional cuts will be put in as indicated on map each cut to be 200 feet long, 12 feet wide, 10 feet deep. 1000 foot additional trench may be done if indications warrant more information.

c. On the Aloona No.3512 claim beginning on the Southern end, a trench 600 feet in length, 12 foot wide, 10 feet deep. Additional trenches will be made going North 200 feet in length, 12 foot wide, and 10 foot deep, as indicated on map. Another 1000 feet of trenching will be done if additional trenching is necessary.

d. On the Bondholder No.2423, beginning on the Southerwesterly end of Bondholder claim, a trench 600 feet long, 12 feet wide, 10 feet deep as indicated on map. Five additional dozer trenches will be dug in a Northeasterly direction as indicated on map, 200 feet long, 12 feet wide, 10 feet deep. 1000 feet of additional trenching will be done if indication warrant it.

c. On the Carolus claim No. 2456, one trench beginning on the Southwesterly end 600 feet long, 12 feet wide, 10 feet deep. Five additional trenches 200 feet long, 12 feet wide, 10 feet deep as indicated on map - 1000 feet of additional trenching shall be done if indications warrant it.

f. On the Mother claim No.2454, Number (1F) Trench beginning on the Westerly end; 600 feet long, 12 feet wide, 10 feet deep. Five additional trenches 200 feet long, 12 feet wide, 10 feet deep, as indicated on map - 1000 feet of additional trenching shall be done if indications warrant it.

g. On the Marie Martin claim No.2455, (1G) trench beginning on the Westerly end, 600 feet long, 12 feet wide, 10 feet deep. Five additional trenches 200 feet long, 12 feet wide, 10 feet deep, as indicated on map - 1000 feet of additional trenching shall be done if indications warrant it.

h. On the Alice claim No.4038, (1H) trench beginning on the Westerly end 600 feet long, 12 feet wide, 10 feet deep. Five additional trenches 200 feet long, 12 feet wide, 10 feet deep as indicated on map - 1000 feet of additional trenching shall be done if indications warrant it.

l. On the Blackhawk claim no.2425, (il) trench beginning on the Westerly end 600 feet long, 12 feet wide, 10 feet deep. Five additional trenches 200 feet long 12 feet wide, 10 feet deep, as indicated on the map - 1000 feet additional trenching shall be done if indications warrant it.

j. On the Minnie Maud claim No.2424, (1J) trench beginning on the Northeastern end 600 feet long, 12 feet wide, 10 feet deep. Three additional trenches 200 feet long, 12 feet wide, 10 feet deep, as indicated on map - 1000 feet of additional trenching shall be done if indications warrant it.

Part 4

b. none

c. Immediately - actual working time based on eight (8) hours per day, twelve (12) months

1. Excluding winter time off, from 4 to 5 months (closed down)

2. Estimate 1300 lineal feet per month - on basis of total 15,600 feet of trenching

3. Estimate on basis of 25,600 lineal feet, 2133 ft.

Part 5

1. Mine operator - bossing (for ACM Company) Lessor - started mining in 1936 - see sheet attached.

Part 6, see sheet (a)

a. none

b. Supervisor cost $650.00 per month (yes) employees are available

c. none

d.

D-7 dozer	-	value	$ 12,500.00
D-8 Cat	-	"	$ 10,000.00
Compressor	-	"	3,500.00
I.H. 4 wheel drive pickup			1,800.00
Chevrolet pickup			1,150.00
Jack steel hose			600.00
28 ft. Columbia trailor			3,800.00

We own above equipment

e. to be built -

14ft.X20ft. cookhouse	$2500.00	
14ft.X20ft. bunkhouse	2500.00	5,000.00

f. none, all repairs are covered on hourly costs of dozing, footage cost of drilling, footage cost of shaft and tunnels.

g. (a) yes
(b) by use of our equipment, labor and money.

5. EXPERIENCE - C.R.Oliphant, will supervise the project
1936, operating Bonzana Mine, Deer Lodge, Montana
1940, Contract moner ACM, Company
1942, Operating Cumberland Mine, Meagher County, Montana
1945, Discharged, U.S. Army
1948, U.S. Bureau Public Roads, Survey Crew
1949, Shift boss, ACM Co., Emma Mine
1951, Operating Cumberland Mine, Meagher County, Montana
1956, Employed ACM Company, Contract miner
1957, Operating Cumberland Mine, Meagher County, Montana

COST OF DOZING & TRENCHES & STAGE ONE

15,600 lineal feet of trenching 12 feet wide, 10 feet deep.
Dozer cost for rock work $18.00 per hour.

BASIS OF COST

15,600 ft X 10ft X 12 ft. equals 69,333
69,333 divided by 200 yds per day equals 346 days
346 days times 8 hours per day equals 2,776 hours
2,776 hours times $18.00 per hour equals $49,968.00.

STAGE 1 PART 2

If additional 10,000 feet of dozing required cost $32,200.00 plus 25% for blasting 2500 ft at 1.13 per foot equals $2,825.00, plus additional sample cost $2845.00.

SUPERVISOR, $650.00 per month, plus Social Security, Unemployment, Ins.,
SAMPLER, $425.00 per month, plus Social Security, Unemployment, Ins.,

Sample work channel cuts in dozer trenches, 5 foot on centers, closer if structure warrants.

ASSAYING - STAGE 1

3120 samples for 15,600 feet of trench
2000 samples for 10,000 additional trenching
5120 total, times $4.50 per sample

Total Assay Cost	-	$ 23,040.00
Plus		
Shipping charges & sample bags		900.00
		$ 23,940.00

COST SHEET - PART 1

DOZER TRENCHING, SAMPLING, ENGINEERING, ASSAY

	a.	15,600 feet of trenching, 12 ft wide, 10ft. deep	
2776ft @ $18.00	per hour (all cost)		$ 49,968.00
	b.	blast 25% of part	4,520.00
	c.	sampler part 1	3,635.00
	d.	engineer part 1	3,500.00
	e.	supervisor part 1	7,600.00
	f.	assay (3120 samples @ $4.50	14,040.00
	g.	transportation & sample bags	1,404.00
			$ 84,660.00

Part 5

Cont'd - COST SHEET, Part 2, Stage 1

a. 10,000 feet of trenching, 12 feet wide, 10 feet deep. 1789 1/3 hours @ $18.00	-	$ 32,200.00
b. Blasting 25% trenching 2500 feet @ $1.13 per foot	-	2,825.00
c. Sampler (part 2)		2,845.00
d. Engineer (part 2)	-	2,310.00
e. Supervisor (part 2)	-	4,980.00
f. Assay	-	9 900.00
g. Transportation & sample bags	-	900.00
Part 2	-	$ 55,150.00
Part 1	-	84,660.00
total		$139,810.00

Stage 1	-	$ 139,810.00
Stage 2	-	$ 139,741.00
Stage 3	-	$ 125,592.00
total sum	-	$ 405,143.20

STAGE 2

PROVIDING the trenching program of Stage 1 proves successful then we feel it advisable to enter in a drilling program dependent on the results of the trenching. The drilling holes will be 50 to 100 feet deep. 1000 feet per claim or a total of 10,000 feet of AX core, at a cost of $6.35 per foor - for a total cost of $63,500.00.

$3.00 a foot for reaming, $10.00 per hour for cementing - cement costs (a) sampling, (b) supervision (c) assaying (d) shipping samples.

Estimated footage per 8 hour shift
per drill 10 foot
supervisor $650.00 per month
sampler $425.00 per month
core boxes @ $2.50 per box - 100 boxes * $2500.00
logging - mapping - $1.50 per foot

COST EXTIMATE - of STAGE 2

Drilling Program

a.	drilling $6.35 per foot	$ 63,500.00
b.	core boxes @ $2.50 - 200 boxes	500.00
c.	reaming cost $3.00 per foot 25% of hole	7,500.00
d.	cementing 25% of total drilling $10.00 per hour - 2400 hrs.	24,000.00
e.	Supervisor $650. per month $650.00 X 24 equals $15,600.00 plus 15.4%(ins. S.S. Unemployment 2422.40)	18,022.40
f.	Assaying every 5 ft. per sample 10,000 ft. 5 into 10,000 equals 2000 samples 2000 samples times $4.50 per sample plus, 10% for shipping, plus bags	9,000.00 900.00
	total cost	$ 139,741.20

STAGE 3

If stage 1 and 2 prove successful then we feel that further exploration should be done by sinking a shaft 250 feet ddeep - in the foot wall side of the structure location of the shaft dependent on Stage 1 and Stage 2. Estimated cost of sinking shaft $110.00 per foot. for a total cost of $ 27,500.00 - drifts and crosscuts to be run on the 100 foot level 700 feet of drift to run on the 225 foot level; at a total cost of $ 70,000.00.

SHAFT SITE LOCATION

dozing time	24 hrs @ $18.00	$ 532.00
hoist house	14ft X 20ft	2,500.00
supply house	14ft X 20ft	2,500.00
compressor house	14ft X 20ft	2,500.00
head frame 35ft 8X8 timber estimate		1,260.00
decil electric (D 13000 75KVA Gen) (24X300 per mo. price encludes pump		7,200.00
hoist, rental $65.00 per mo. 24 months times $65.00		1,560.00
compressor - decil powered 325 cpm value $6500.00 - rental $210.00 Mo. times 24 months		5,040.00
		$ 23,092.00

SHAFT SINKING

250 ft @ $110.00 per ft X-cutting & drifting	27,500.00
1500 ft @ $35.00 per ft	52,500.00

HOISTING, SURFACE, TRAMMING

1500 ft @ $15.00 ft.	22,500.00
	$125,592.00

ASSAYING

5 ft. centers on sample total workings 350 samples 350 X 450 -	1,575.00
shipping bags & transportation	157.50

SAMPLER

$425.00 - based on 24 months, plus S.S. Unemployment,Tax	11,818.80

SUPERVISOR

$650.00 month, plus S.S. unemployment.Tax	18,022.40

MAPPING & ENGINEERING

$50.00 per day - 2 days per week, 104 wks	10,400.00
	41,973.70
	125,592.00
total -	$ 167,565.70

Box 1880

Phone 2-8131

LEWIS & WALKER

JOHN S. ROACH

ASSAYERS AND CHEMISTS

SHIPPERS' REPRESENTATIVES

108 North Wyoming Street

BUTTE, MONTANA

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H-O-Mining Company

Date May 28, 1958

Your Sample Assayed as Follows:

	Ozs. Per Ton Silver	Ozs. Per Ton Gold	Value Per Ton at $35 Per Oz. Gold $ Cts.	% Copper	% Lead	% Zinc	% Silica	% Iron	% Manganese	%
149	2.80	0.01	0.35		2.70					
150	3.90	0.02	0.70		2.10					
151	1.40	0.01	0.35		3.10					
152	3.30				2.40				14.60	
153	1.80				5.00				12.80	
154	2.40				1.60				15.10	
155	6.80				8.40					
156	13.60				15.20					
157	36.60				46.30					
Sample in can	11.20	0.02	0.70		18.00					

Charges $

Respectfully Submitted

Lewis & Walker

DMEA Form 7
(12-56)

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Date	Surname	Code
9-5	Martin	400
9-5	Chapman	400
9/8	[illegible]	110
8	Mattendorf	100
		220

September 4, 1958

MEMORANDUM

To: Administrator, DMEA

From: Division of Iron and Ferro-Alloys, DMEA

Subject: Denial of the subject application for exploration assistance in the amount of $440,000.00
Docket No. DMEA 5046 - Manganese-Lead
Clarence R. Oliphant
Blackhawk Mine
Meagher County, Montana

The processing of this application was not completed prior to June 30, 1958. However, had the processing been completed, we would have been unable to recommend a project based on the information available to us concerning the property.

The above-noted property was the subject of a request dated May 31, 1958, for exploration assistance, at an estimated cost of $440,000.00, to consist of bulldozer trenching, diamond drilling, shaft sinking, drifting and/or crosscutting.

The property was first visited on June 13, and again on June 15, 1958, by William C. Prinz, Geological Survey, accompanied by Clarence R. Oliphant, the applicant.

Applicant: Clarence R. Oliphant, Partner
Lennup, Montana

Edward C. Hughes, Partner
1301 Porphyry Street
Butte, Montana

Property Ownership: The applicants hold a five year lease with right of renewal from Russell Manger, White Spring, Montana, of 11 patented lode mining claims as follows:

Claim Name	Survey No.
Corlus or Carolus	2456
Mother	2454
Mary Martin or Marie Martin	2455
Blackhawk	2425
Bondholder or Bond Holder	2423

8623

Alice	4038
Altha	3231
Annie Maud or Anna Maud	2424
Altoona or Aloona	3512
R.S.C.	3229
Nevada	3146

The claims are in section 36, T. 9 N., R. 8 E., Castle Mountain Mining District, Meagher County, Montana.

Geology: The Castle Mountains are underlain by folded Belt, Paleozoic and Mesozoic sediments which have been intruded by Cenozoic granite and diorite. Pods or pockets of lead-silver ore form replacements near the plutonics. There are no well defined fissures or veins and mineralization is not confined to any particular horizon.

The Blackhawk mine is on the southwest limb of a northwest striking syncline which has been intruded by monzonite. The largest zone of mineralization is a pod about 150 feet long and up to 30 feet wide and is a replacement in limestone. The minerals noted are pyrolusite, psilomelane, chert, limonite and traces of galena. Two manganese zones are found at glory hole and caved shaft on Alice claim.

Development: Most of the work on the property was done between 1880 and 1890. A caved shaft on the Alice claim is reported to have been 85 feet deep and a caved shaft on the Blackhawk claim is reported to be 135 feet deep with several hundred feet of drifting and crosscutting.

Another shallow shaft and a glory hole are found on these claims.

In May 1958 the applicants bulldozed several trenches on the Blackhawk and adjoining claims.

Ore Values and Tonnage: Samples taken by the field examiners, applicant and Bureau of Mines are as follows:

Sample No.	Width	Au.oz.	Ag.oz.	Pb.%	Mn%	Remarks
DMEA-898	Grab	Tr.	0.4	0.6	10.4	Dump, old shaft S.end Alice
DMEA-899	Grab	Tr.	1.2	4.25	2.4	Dump, old shaft SW Blackhawk
DMEA-900	8'	Tr.	1.9	2.25	10.9	Trench,E.Blackhawk shaft
DMEA-992	13'	0.05	3.5	4.1	4.2	Wall trench, W.,Blackhawk shaft
DMEA-993	Grab	Tr.	5.8	6.9	10.7	S.wall, West Trench,Blackhawk
Apl-152	5'	--	3.3	2.4	14.6	Same as 993.Along wall trench
Apl-153	5'	--	1.8	5.0	12.8	Same as 993 " " "
Apl-154	5'	--	2.4	1.6	15.1	Same as 993 " " "
Apl-155	6'?	--	6.8	8.4	--	N.wall trench W. of shaft

Apl-156	Grab	--	13.6	15.2	--	Hand picked
Apl-157	Sorted	--	36.6	46.3		Sorted ore
USBM-1	Grab?	0.01	1.0	3.2	9.0	Collected before trenching
USBM-2	Grab	--	--	--	9.6	Collected before trenching
USBM-3	Grab	--	--	--	10.0	Dump. Alice shaft

The average of samples collected from the mineralized pod on the Blackhawk claim is 3.3 ounces silver, 4.2 percent lead and 10.9 percent manganese.

Samples indicate that there is little or no possibility of finding any significant tonnage of ore of an economic grade and no estimate was made of any ore tonnage.

Conclusions and Recommendations:

The low grade of the better mineralized area and the lack of veins or continuous mineralized structures which warrant exploration, indicate little possibility of finding any significant orebody of an economic grade and it is recommended that the application be denied. The Field Team concurs in the conclusions and recommendations of the examining team.

The Commodity Divisions of the Geological Survey, and the Bureau of Mines, concur in the conclusions and recommendations of the examining team and the Field Team.

W S Martin

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

TLCHAPMAN:foc
9-4-58
cc to: Docket
Admr. R. File
Oper. Comm.
Code 400

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DATE		CODE
8/28	C	220
8/28	WSM	400
		225

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

Date August 27, 1958

DMEA Docket No. 5046
DMEA Contract No.
Commodity Mn, Pb
Name of Applicant Clarence R. Oliphant
Name of Property Blackhawk - Alice group
Location of property Meagher Co., Mont.
Estimated cost of project $447,216.90

Memorandum

To: W. S. Martin, DMBA

From: G. L. DeHuff, Jr., Commodity Specialist
Branch of Ferrous Metals and Ferroalloys

Subject: Review of Field Team Report
(Application, Field Team Report, etc.)

1. Date of subject document: 8/13/58 2. Date received by reviewer: 8/20/58

3. Prior reports on this property known to reviewer: Yes [xx] No [ ]

4. Prior reports on nearby properties known to reviewer: Yes [xx] No [ ]

5. Information available on past production: Yes [xx] No [ ]

6. Other pertinent factors known to reviewer: Yes [xx] No [ ]

7. Explain items marked 'yes' above:
Please see my 6/11/58 memo.

8. Factors needing special consideration:

a. Location [ ]
b. Ownership [ ]
c. Evidence of mineralization [ ]
d. Geology [ ]
e. Proposed exploration method [ ]
f. Alternate exploration method [ ]
g. Costs
h. [ ]

9. Action advised:

a. Obtain information from applicant [ ]
b. Refer to Field Team [ ]
c. Denial [x]
d. Agree with Field Team [x]
e. Disagree with Field Team [ ]
f. Suggest alternate plan [ ]
g. Request another consultation [ ]
h. Approval [ ]
i. Consult with Mr. _____ at _____ AEC Office

10. Remarks: (Use back of page if necessary)

G. L. DeHuff, Jr.

IN REPLY REFER TO:

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DATE	INITIALS	CODE
8/21	W.g.	325
		400

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

August 21, 1958

Memorandum

To: W. S. Martin, Defense Minerals Exploration Administration

From: W. P. Williams, U. S.Geological Survey

Subject: Review of field examination report, DMEA 5046, (Manganese-Lead), Clarence R. Oliphant, Blackhawk Mine, Meagher County, Montana

The examining team report that geologic conditions on the applicant's property are not favorable for the presence of significant manganese-lead ore deposits. At the Blackhawk mine the ore is found in pods and lenses that replace Cambrian limestone near its contact with a granitic mass. The largest known pod is about 150 feet long and from 10 to 30 feet wide. The examiners were unable to find a strong, well-defined fissure vein or other geologic structure that would serve to localize large ore deposits.

Samples have been taken from the property by both the DMEA examining team and the U. S. Bureau of Mines. Of these samples, the best one gave an assay of 5.8 ounces silver per ton, 6.9 percent lead, and 10.7 percent manganese. A sample taken by the applicant and listed as a grab sample, but which is very likely a carefully selected sample, gave an assay of 13.6 ounces silver per ton and 15.2 percent lead.

The claim has been made that there is a continuous vein or structure between the Blackhawk and Alice claims, but this is not supported by field evidence. The applicant knew of no exposures of vein or mineralized rock in the claim south of the Blackhawk and Alice claims.

The applicant's proposed project is an ambitious one consisting of a three-stage program of trenching, diamond drilling, shaft sinking, crosscutting, and drifting, which would cost about $440,000. Most of the proposed work lacks a definite target. Since there is no evidence of a continuous structure between the Blackhawk and Alice claims and since the grade of the largest exposed mineralized lense is low, the examiners conclude that the chances of making a significant discovery on the property are poor. Because of the foregoing reasons, I agree with the examiners' recommendation for denial of the application.

W. P. Williams

W. P. Williams

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
So. 157 Howard Street
Spokane 4, Washington
August 13, 1958

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DATE	INITIALS	CODE
8/18	H.G.	225
8/22	JHB	130
		400

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

Re: Docket No. DMEA-5046, Manganese-Lead
Clarence R. Oliphant
Blackhawk Mine
Meagher County, Montana

Dear Mr. Selfridge:

Enclosed are three copies of an application examination report of the Blackhawk mine in Meagher County, Montana, by William C. Prinz, Geologist, U. S. Geological Survey. This application was submitted to the DMEA by Clarence R. Oliphant and Edward C. Hughes.

At the Blackhawk property the ore occurs in pods or lenses replacing Cambrian limestone near its contact with a granitic pluton. The largest known pod is about 150 feet long and from 10 to 30 feet wide but numerous samples indicate that the average grade is only about 3.3 ounces silver per ton, 4.2 percent lead and 10.9 percent manganese. Parts of the pod contain around 35 percent iron. The applicants propose an exploration project at an estimated cost of around $440,000.

Prinz was unable to find any evidence of a mineralized structure that can be traced for any distance and since the grade of the largest known pod is low, he concludes that the possibility of making a significant discovery is very low. The Field Team concurs with this opinion and recommends denial of the application.

This is the second of the three reports mentioned in your teletype of August 1. The first, Prindle Mining Company (Docket No. DMEA-5006), was sent in on August 1. The third, Gramlich Minerals, Inc. (Docket No. DMEA-5023) will be completed in draft form by August 15. However, we anticipate a delay of a week or more before it can be typed as we are currently shorthanded in clerical help.

Reviewed by
DMEA OPERATING COMMITTEE
8-22-58
(date)

By Field Team, Region I

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

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

Enclosures
cc: USBM(2)
USGS(SRO)
Prinz

DMEA

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8/22	JHB	130
		220

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
So. 157 Howard Street
Spokane 4, Washington
August 13, 1958

MEMORANDUM

To: DMEA Field Team, Region I

From: William C. Prinz, Geologist, U. S. Geological Survey

Subject: Application Examination Report, Docket No. DMEA-5046 (Manganese, Lead, Silver), Clarence R. Oliphant, Blackhawk Mine, Meagher County, Montana

INTRODUCTION

An application for DMEA assistance to explore the Blackhawk mine, Castle Mountain Mining District, Meagher County, Montana, was received June 2, 1958, from Clarence R. Oliphant and Edward C. Hughes, partners. The applicants propose to explore the property by an extensive three stage program of (1) trenching, (2) diamond drilling, and (3) shaft sinking and drifting. Numerous arithmetic errors in the applicants' cost analysis make it impossible to give an exact figure for their estimated cost of the exploration program, but it appears to be approximately $440,000; Government participation at 75 percent would be $330,000, at 50 percent, $220,000.

ON SITE EXAM

The Blackhawk mine was first visited on June 13, 1958, but inclement weather made a thorough examination impossible at that time. The property was revisited on June 15 and a plane table map was prepared. During both examinations, I was accompanied by Clarence R. Oliphant, one of the applicants. Mr. Oliphant is currently operating the Cumberland lead mine, which is about 4 miles southwest of the Blackhawk mine. He has a small camp at the old town of Castle several hundred feet south of the Cumberland.

The Yellowstone mine, which is about 3 miles southwest of the Blackhawk, was explored under the terms of DMEA Contract No. Idm-E240 (Docket No. DMEA-565) by the Castle Lead and Zinc Company, whose president at that time was Ed C. Hughes, partner in the present application. The Castle Lead and Zinc Company contract ended with a complete investigation and auditing of the books relative to the DMEA work because one of the company's stockholders suggested that fraud may have been involved in some of the transactions. No fraud was proven, but this investigation culminated in the disallowance of $1,066.77 of Government participation in certain phases of the contract work.

Reviewed by
DMEA OPERATING COMMITTEE
8-22-58
(date)

SUMMARY AND RECOMMENDATIONS

The Blackhawk mine is in the Castle Mountain Mining District where all of the known ore deposits occur as replacement pods or lenses in Paleozoic limestone near Cenozoic granite or monzonite plugs. The Blackhawk mine is underlain by white Cambrian limestone and Cenozoic quartz monzonite. Manganiferous pods composed or pyrolusite, psilomelene, chert, limonite, and some galena are found in the limestone near the quartz monzonite contact. The largest pod is about 150 feet long and 10-30 feet wide, but it has an indicated average grade of only 3.3 ounces silver per ton, 4.2 percent lead, and 10.9 percent manganese. The low grade of this pod coupled with the lack of any indication of a vein or continuous structure which could be explored at the property indicate that the chances of making a significant discovery are poor. Therefore, it is recommended that this application be denied.

LOCATION AND ACCESSIBILITY

The Blackhawk mine is 17 miles by road east of White Sulphur Springs in sec. 36, T. 9 N., R. 8 E., Castle Mountain Mining District, Meagher County, Montana. The property can be reached by passenger car by following Montana Highway 6 easterly from White Sulphur Springs (fig. 1) for 6 miles; then turn southerly (right) on the Forest Service road to Lennup. This road passes along the northern edge of the Blackhawk group of claims about 11 miles southeast of the highway and continues southeasterly for about 12 more miles to Lennup. The road between the mine and Highway 6 is better than that between the mine and Lennup. Both are passable to passenger car except after a heavy snow or rain.

APPLICANTS

Clarence R. Oliphant, Lennup, Montana, and Edward C. Hughes, 1301 Porphyry Street, Butte, Montana, are partners in the mining venture considered in this DMEA application. They have also submitted an application for DMEA assistance to explore the Copper State mine (Docket No. DMEA-5045) which is about 17 miles north of the Blackhawk; my examination report on this property is in preparation. Oliphant is a miner who, for the last 20 years, has alternately operated his own small mine or worked for The Anaconda Company. He would supervise the project work. I do not know Hughes personally, but judging from information in Docket No. DMEA 565, Castle Lead and Zinc Company, and from comments by Oliphant during my examination, Hughes is apparently more of a promoter than a practical miner and would handle the financial details connected with the proposed exploration.

PROPERTY RIGHTS

The applicants hold a 5-year lease from Russell Manger, White Sulphur Springs, Montana, with option for renewal in 5-year increments on 11 patented mining claims as listed below and as shown on the map submitted with the application and, in part, on plate 1.

Claim	Survey No.
Corlus or Carolus	2456
Mother	2454
Mary Martin or Marie Martin	2455
Blackhawk	2425
Bondholder or Bond Holder	2423
Alice	4038
Altha	3231
Annie Maude or Annie Maud or Anna Maud	2424
Aloona or Altoona	3512
R.S.C.	3229
Nevada	3146

Mr. Oliphant was questioned regarding the discrepancies in the listing of the claims in various parts of the application but was unable to give me any information because Mr. Hughes had all of the records in Butte. These discrepancies are: "Corlus" in the lease and application but "Carolus" on the claim map; "Mary Martin" in the lease but "Marie Martin" in the application and on the claim map; "Bondholder" in the lease but "Bond Holder" in the application and on the claim map; "Annie Maude" in the lease, "Annie Maud" on the claim map, and "Anna Maud" in the application; "Aloona" in the lease and application but "Altoona" on the claim map; and finally "Nevada" is shown on the claim map and in the application but is not listed in the copy of the lease.

DESCRIPTION OF PROPERTY

The Blackhawk (or Alice) group of claims lie at an altitude of about 7,000 feet and are about 4 miles east of the crest of the Castle Mountains, Montana. The topography of the general area is steep but in the immediate vicinity of the claims is only moderately steep. A valley marking a granite-limestone contact trends west-northwesterly along the southern edges of the Blackhawk and Alice claims. The valley is bordered on the north by a bare, moderately steep slope which contains all of the significant mine workings in the claim group; the south side of the valley is heavily timbered and contains no significant mine workings.

The mine workings on the claim group are confined to the Blackhawk and Alice claims and they consist of three old shafts, an old glory hole, and several recent dozer trenches. The old shaft near the glory hole on the Alice claim is reported (Weed, W. H., 1896, U. S. Geol. Survey Bull. 139, p. 155) to be 85 feet deep and to show an ore body 3 by 6 feet in cross section. The shaft near the south side line of the Alice claim is reported to have been sunk to explore adjacent ground and to be connected with the other Alice claim workings. The facilities here appear to have been more elaborate than elsewhere in the claim group. The shaft on the Blackhawk claim is reported (Weed, 1896, p. 154) to be 130 feet deep and to contain 200 feet of drift and 100 feet of crosscut from the 100-foot level. These were all apparently driven in the 1880's or 1890's and all are now inaccessible.

In May of 1958, the applicants bulldozed several trenches on the Blackhawk and nearby claims. Those showing significant structure are shown on plate 1.

There are no buildings nor facilities at the property, but the applicants do have a small camp at the old town of Castle, 4 miles to the southwest.

Production has been a small amount of silver.

GEOLOGY

The geology of the Castle Mountains has been described by the following:

Weed, W. H., and Pirsson, L. V., 1896, Geology of the Castle Mountain mining district, Montana: U. S. Geol. Survey Bull. 139

and:

Weed, W. H., 1899, Little Belt Mountains folio, Montana: U. S. Geol. Survey Geol. Atlas, Folio 56

and the mines and mineral deposits have been reviewed by:

Roby, R. N., 1950, Mines and mineral deposits (except fuels), Meagher County, Montana: U. S. Bureau of Mines Inf. Circ. 7540

The Castle Mountains are underlain mainly by folded Belt, Paleozoic, and Mesozoic sediments which have been intruded by Cenozoic granite and diorite. Pods or pockets of lead-silver ore form replacement deposits in limestone near the granitic plutons. There are no well-defined fissures or veins and the ore does not seem to be confined to a particular horizon or bed except to the

extent that the pods roughly conform to the bedding in the enclosing sediments and are found in pure white limestone rather than in impure limestone or shale. The Cumberland mine, 4 miles southwest of the Blackhawk, has produced the largest amount of ore in the district. The ore body here is pipe or chimney shaped and has a pitch of about 60°. It is elliptical in cross section, with the long axis of the ellipse lying about parallel with the beds in the enclosing Carboniferous Madison limestone. The upper 250 feet of this ore body consists of high-grade cerrusite, the lower 250 feet of galena. The ore body ends abruptly at a depth of 500 feet and is reported to vary in width from 7 to 70 feet.

The Blackhawk mine is on the southwest limb of a northwest-striking syncline of Paleozoic and Mesozoic sedimentary rocks which have been intruded by a small, 2-mile diameter, pluton of Cenozoic monzonite. The mine straddles the monzonite-sediment contact which here strikes about N. 60° W. (pl. 1). The monzonite at the mine south of the contact is silicic light-gray, medium grained and is composed of quartz, orthoclase, plagioclase, pyroxene, biotite, and magnetite. The limestone to the north is white except near the mineralized areas where it is stained brown or black. The limestone is Cambrian in age and has been mapped either as the Gallatin limestone or as an upper limestone member of the Barker formation.

The largest zone of visible mineralization at the property is a manganiferous pod exposed on the Blackhawk claim at the collar of the old caved shaft and in the three recent dozer trenches around it (pl. 1). This pod has a length of at least 150 feet and a maximum breadth of 30 feet near its western end and 10 feet near its eastern end. It strikes N. 75°-80° W. and apparently formed from the replacement of limestone. The pod is composed of pyrolusite, psilomelane, chert (or jasper), limonite, and a trace of galena. The southern contact of the pod as exposed at the caved shaft and in the trench immediately to the west is sharp and is nearly vertical. The limestone to the south is commonly white with a small amount of brown to black manganese- and iron-oxide stain. The northern contact exposed in the trench east of the old shaft is also sharp, but the one in the westernmost of the three trenches is apparently gradational. The actual contact is not exposed in that trench, but the south wall of the trench is composed of material similar to that found elsewhere in the pod; the north wall is composed of limestone with considerable manganese-oxide staining. Two manganese-rich zones in limestone are found in the glory hole and old shaft near the center of the Alice claim (pl. 1). One is nearly parallel with the pod found on the Blackhawk claim, the other strikes N. 15° E. and dips about 90°. At the intersection of these two zones, a wider zone of mineralization was formed. Some have claimed that there is a continuous vein or structure between the Blackhawk and Alice claims but this is not supported by field evidence. Some manganese and iron-stained limestone and

chert was also found on the dumps of the small test pit in the southwestern part of the Blackhawk claim and the shaft near the southern edge of the Alice claim. The applicant knew of no exposures of vein or mineralized rock in the claims south of the Blackhawk and Alice.

Assays of samples I collected along with samples collected by the applicant and by U. S. Bureau of Mines engineers are tabulated below and the assays of my samples are posted on plate 1. (Prefix "DMEA" indicates my sample numbers; "Apl.," the applicants' samples; and "USBM," Bureau of Mines samples.)

Sample No.	Width	Au oz/ton	Ag oz/ton	Pb %	Mn %	SiO_2 %	Fe %
DMEA-898	Grab	Tr	0.4	0.6	10.4	22.6	--
DMEA-899	Grab	Tr	1.2	4.25	2.4	44.4	--
DMEA-900	8'	Tr	1.9	2.25	10.9	20.6	--
DMEA-992	13'	0.03	3.3	4.1	4.2	26.8	--
DMEA-993	Grab	Tr	5.8	6.9	10.7	23.4	--
Apl.-152	5'	--	3.3	2.4	14.6	--	--
Apl.-153	5'	--	1.8	5.0	12.8	--	--
Apl.-154	5'	--	2.4	1.6	15.1	--	--
Apl.-155	6'?	--	6.8	8.4	--	--	--
Apl.-156	Grab	--	13.6	15.2	--	--	--
Apl.-157	Sorted	--	36.6	46.3	--	--	--
USBM "1"	Grab ?	0.01	1.0	3.2	9.0	--	32.6
USBM "2"	Grab	--	--	--	9.6	--	35.7
USBM "3"	Grab	--	--	--	10.0	--	31.0

DMEA Sample 898 is from the dump of the old shaft near the southern edge of the Alice claim, and 899 is from the dump near the small pit in the southwestern part of the Blackhawk claim. Sample USBM "3" was collected from the dump of the shaft near the center of the Alice claim by C. R. Hubbard, Mining Engineer, U. S. Bureau of Mines, during his visit to the property on July 31, 1957. The results of this assay and of USBM "2" were made available to me by the Spokane

Field Office of the U. S. Bureau of Mines. The remainder of the samples were collected from the manganiferous pod in the Blackhawk claim. DMEA Sample 993 and the applicants' Samples 152, 153, and 154 are from the south wall of the westernmost trench showing mineralization; these four assays are similar. DMEA Sample 992 and the applicants' Sample 155 are from approximately the same place along the north wall of the trench immediately west of the shaft, and DMEA Sample 900 is from the floor of the trench just east of the shaft. The applicants' Samples 156 and 157 are hand picked and would not be representative. USBM Samples "1" and "2" were also collected from this general area before the recent trenching had been done. Sample "1" is quoted from Robey (1950, p. 25). Excluding the two high-grade samples collected by the applicant, the average of the samples collected from the mineralized pod on the Blackhawk claim is 3.3 ounces silver per ton, 4.2 percent lead, and 10.9 percent manganese. Concerning this area, Weed (1896, p. 154) states, "The ore body is said to be large, ... running about 5 to 15 ounces of silver."

Inasmuch as there is no evidence of a continuous structure between the Blackhawk and Alice claims and since the grade of the largest exposed mineralized pod is low, it is concluded that the chances of making a significant discovery at the property are poor.

APPLICANTS' PROPOSAL

The applicants propose to explore the property by an extensive three-stage program of trenching, diamond drilling, and shaft sinking, crosscutting, and drifting which would cost about $440,000. Most of their proposed worklacks a definite target; the only visible targets on the claim group are restricted to the eastern half of the Alice claim and the western half of the Blackhawk claim. Should further work be warranted at the property, a small amount of trenching followed by diamond drilling and possible shaft sinking, crosscutting, and drifting on these two claims only would be adequate.

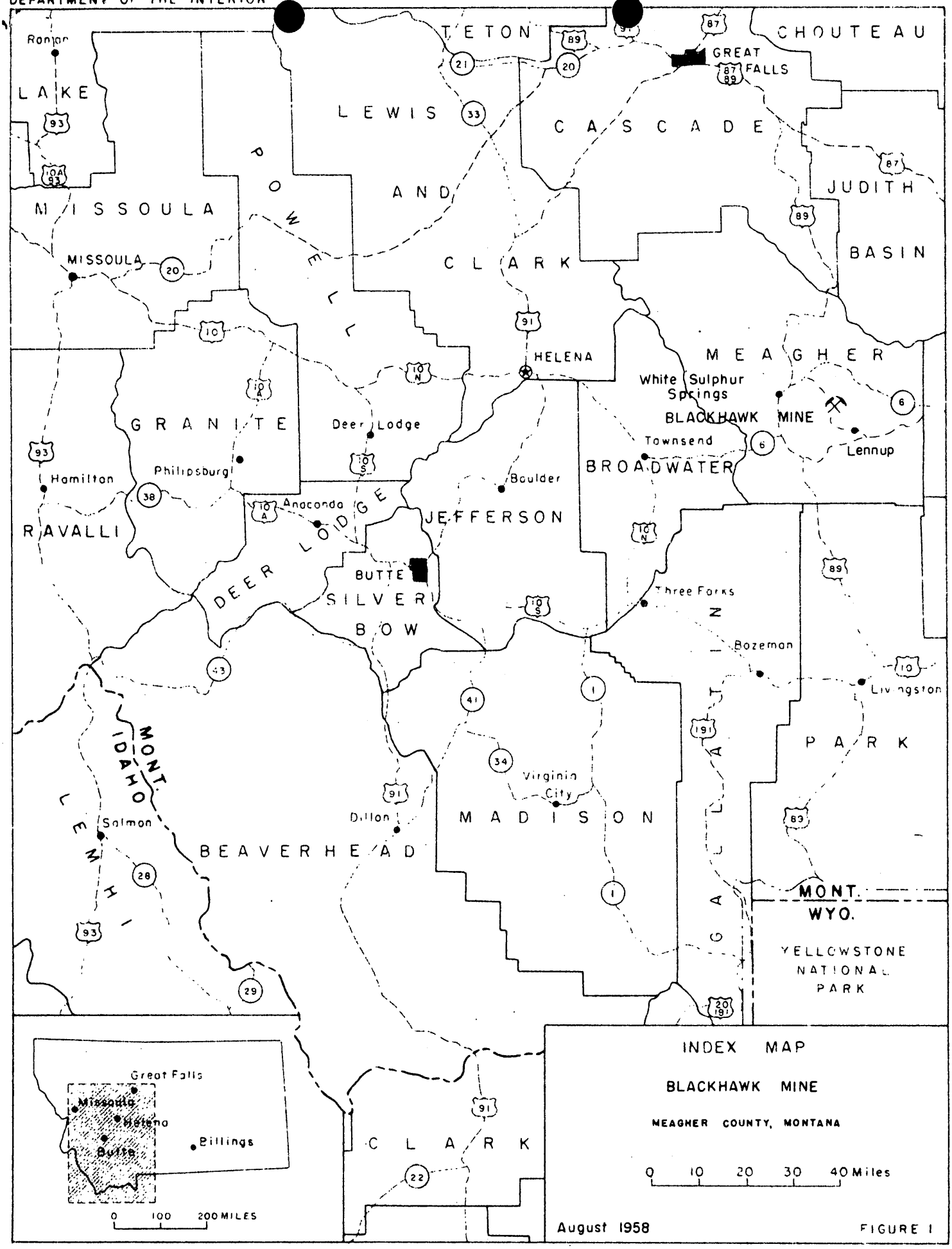
The applicants' estimated costs are not realistic and are "padded" with such items as a full-time supervisor and sampler, excessive assaying and consultant costs, etc. His cost analysis also contains numerous arithmetical errors.

Attachments
Distribution:
DMEA (3)
USBM (2)
USGS(SRO)
Docket
Prinz

UNITED STATES
DEPARTMENT OF THE INTERIOR

PREPARED FOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
APPLICATION REPORT

DOCKET NO. DMEA 5046

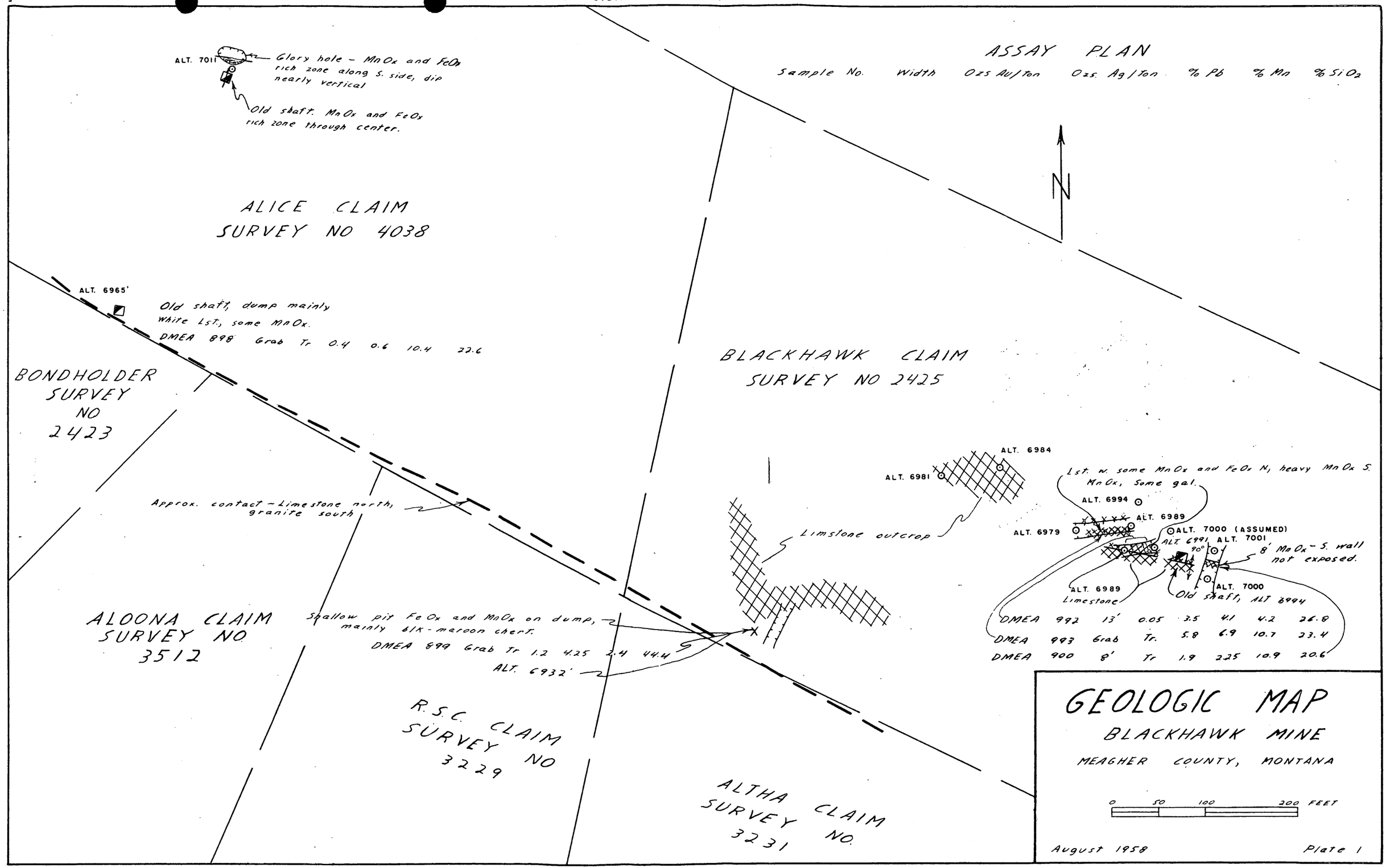


August 1958

FIGURE 1

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 18 1958

DATE	INITIALS	CODE



Plane table survey by W.C. Prinz,
U.S.G.S., June 1958,
Claim boundaries from applicants map.

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 18 1958

DATE	INITIALS	CODE

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
8-6	Chapman	400
8-6	Martin	400
8/8	[illegible]	130
8/8	[illegible]	130
8/8	Rekon	130
"	Johnson	110
"	Mittendorf	100
8/8	C	220

AUG 8 1958

Mr. Clarence R. Oliphant
Lennup, Montana

Re: Docket No. DMEA 5046 - Manganese--Lead
Blackhawk Mine
Meagher County, Montana

Dear Mr. Oliphant:

We regret that we were unable to completely process your application for exploration assistance prior to June 30, 1958, the termination date for approving new contracts, as announced by the enclosed copy of a news release of June 6, 1958.

However, had the processing been completed, we would have been unable to approve a project based on the information available to us in Washington concerning your property.

We wish to thank you for your interest in the DMEA program and for bringing the exploration plan to our attention.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

Enclosure

TLCHAPMAN/dlm 8-6-58
cc to: Code 400
Admr. R. File
Oper. Comm.
FT. REG. I
Messrs. Gilbert DeHuff, USBM
T. H. Kiilsgaard, USGS

8623

XDXXXXXX-125K

YWB147 WAF SP 25 I-GS-G

SPOKANE WASH 8-1-58 1420U

W. S. MARTIN

ACTING CHAIRMAN OPERATING COMMITTEE

DMEA DEPT. OF INTERIOR WASHN., DC

REURTT AUGUST 1. REPORT RECOMMENDING DENIAL PRINDLE APPLICATION DMEA 5006 BEING MAILED TODAY. DENIAL WILL BE RECOMMENDED FOR BOTH GRANLICH MINERALS INC; DMEA 5023 AND CLARENCE R. CLIPHANT DMEA 5046. ESTIMATE THESE REPORTS CAN BE MAILED BY AUGUST 14.

A E WEISSENBORN EXECUTIVE OFFICER REGION 1

1 5006 5023 5046

VA 1422U

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
8-1	Martin	400
		130
		110
/	Westendorf	100
8/1	C	220
		400

AUG 1 1958

DEPARTMENT OF THE INTERIOR

DMEA
11X4401(C1) Revolving Fund
Defense Production Act,
Interior (Transfer to Office of
Secretary)

TELETYPE

A. R. WEISSENBORN
EXECUTIVE OFFICER
DMEA FIELD REP., REGION I
SOUTH 157 HOWARD STREET
SPOKANE, WASHINGTON

RECEIVED DMEA 5006 PRINCE MINING COMPANY, DMEA 5023 GRAMLICH MINERALS, INC., AND DMEA 5046 CLARENCE R. OLIPHANT. PLEASE TELETYPE YOUR RECOMMENDATIONS AND ADVISE WHEN WE MAY EXPECT EXAMINATION REPORTS.

W. S. Martin
(Sgd)
ACTING CHIEF, OPERATING COMMITTEE

WSMartin/izm 8-1-58
cc: Mr. Martin
Docket 5006
" 5023
" 5046
Admr.'s Reading File
Operating Committee
Hubert W. Davis, USBM
Gilbert DeHuff, USBM
TNKiilsgaard, USGS
WPWilliams, USGS

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
6/18	Chapman	400
6/18	Martin	400
6/18	Selfridge	130
6/18	Lamb	130
6/18	Kilsgaard	130
"	Gannon	110
"	Mittendorf	100
6/19	C	220
		400

JUN 19 1958

Mr. Clarence R. Oliphant
Lennup, Montana

Re: Docket No. DMEA-5046, Manganese-Lead
Blackhawk Mine
Meagher County, Montana

Dear Mr. Oliphant:

The application for assistance in exploring the subject property under the captioned docket number has been reviewed by the Division of Iron and Ferro-Alloys, of the Defense Minerals Exploration Administration, and has been referred to Mr. A. E. Weissenborn, Executive Officer, DMEA Field Team, Region I, South 157 Howard Street, Spokane 4, Washington.

The regional office will notify you in case additional information concerning the application is needed. Any assistance you may give the members of the Field Team will be appreciated.

Sincerely yours,

C. O. Mittendorf

Administrator

TLCHAPMAN/dl 6-18-58
cc to: Code 400
Admr. R. File
Oper. Comm.
FT. REG. I
Messrs. Gilbert DeHuff, USBM
T. H. Kilsgaard, USGS

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
4/18	Chapman	400
4/18	Martin	400
4/18	GCS	130
"	Johnson	116
"	Rutledge	100
		220

JUN 19 1958

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

Re: Docket No. DMEA-5046, Manganese-Lead
Clarence R. Oliphant
Blackhawk Mine
Meagher County, Montana

Dear Mr. Weissenborn:

Reference is made to your letter of June 4, 1958, which stated that an examination was scheduled for the week of June 9, 1958. We will, therefore, hold this application in abeyance until the report and recommendations of the Field Team are received.

Copies of memoranda, dated June 12 and ~~16~~ 13, 1958, by G. L. DeHuff, Jr., Bureau of Mines, and W. P. Williams, Geological Survey, respectively, relating to the project are enclosed. Also enclosed is an extra copy of the application for the use of the Field Team.

Sincerely yours,

Enclosure

APPROVED:

George C. Selfridge
Chairman, Operating Committee (GCS)

Frank D. Lamb (GCS)
Member, Bureau of Mines

Thor H. Kiilsgaard (GCS)
Member, Geological Survey

TLCHAPMAN/dlm 6-18-58
cc to: Code 400
Admr. R. File
Oper. Comm.
FT. REG. I
Messrs. Gilbert DeHuff, USBM
T. H. Kiilsgaard, USGS

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

IN REPLY REFER TO:

OFFICIAL FILE COPY
DMEA
JUN 16 1958

6/16 C 220
WSM 400

June 13, 1958

Memorandum

To: W. S. Martin, Defense Minerals Exploration Administration

From: W. P. Williams, U. S. Geological Survey

Subject: Review of application, DMEA 5046 (Manganese, lead, silver)
Clarence R. Oliphant, Blackhawk Mine, Meagher County, Montana

The applicant desires financial assistance in exploring for ore deposits on a group of 11 leased mining claims. The proposed project would consist of surface trenching, diamond core drilling, shaft sinking, and drifting. Total estimated cost is $447,217.

An assay certificate submitted by the applicant shows high lead values, but the nature of the samples is not described. Maps and leases are to be forwarded at a later date, according to the applicant.

The property has probably been examined by this date, as the Executive Officer, Region I, states that a field examination of the property will be scheduled for the week of June 9, 1958. I have no specific information about the ore potentialities of the claims.

W. P. Williams

W. P. Williams

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 13 1958

DATE	INITIALS	CODE
6/13	C	220
	WSM	400

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

Date June 12, 1958

DMEA Docket No. 5046
DMEA Contract No.
Commodity Mn - Pb
Name of applicant Clarence R. Olipant
Name of property Blackhawk-Alice Group
Location of property Meagher Co., Mont.
Estimated cost of project $447,216.90

Memorandum

To: W. S. Martin, DMEA

From: G. L. DeHuff, Jr., Commodity Specialist
Branch of Ferrous Metals and Ferroalloys

Subject: Review of Application
(Application, Field Team Report, etc.)

1. Date of subject document: 5/31/58. 2. Date received by reviewer: 6/11/58.

3. Prior reports on this property known to reviewer: Yes XX No

4. Prior reports on nearby properties known to reviewer: Yes XX No

5. Information available on past production: Yes XX No

6. Other pertinent factors known to reviewer: Yes XX No

7. Explain items marked yes above: I.C.7540 "Mines & Mineral Deposits (Except Fuels), Meagher Co., Mont." groups the Blackhawk & Alice as lead-silver mines in Castle Mountain district, and states, "Replacement vein 4' wide in limestone" and "Considerable Mn in vein at surface. B.M. sample assayed Au. 0.01 oz., Ag 1.0 oz., Pb 3.2%, Mn 9.0%". Also, "Production probably was small in comparison to (over)

8. Factors needing special consideration:
- a. Location
- b. Ownership
- c. Evidence of mineralization
- d. Geology XX
- e. Proposed exploration method XX
- f. Alternate exploration method
- g. Costs XX
- h.

9. Action advised:
- a. Obtain information from applicant
- b. Refer to Field Team XX
- c. Denial
- d. Agree with Field Team
- e. Disagree with Field Team
- f. Suggest alternate plan
- g. Request another examination
- h. Approval
- i. Consult with Mr. _____ at _____ AEC office.

10. Remarks: (Use back of page if necessary)

It is recommended that this application be referred to the Field Team for its consideration. It is noted that a field examination was scheduled for the week of June 9.

G L DeHuff Jr

some of the larger mines in the southern part of the district". This production reference was no doubt to Pb + Ag rather than Mn. However, in 1957 eight operators in Meagerh Co. shipped 6,813 long tons of ore averaging about 22-23% Mn to GSA's Butte manganese depot. The Little Belt mine of Fuesner Mining Co. was credited with 6,522 long tons. Applicants, Oliphant & Hughes, are not listed among the shippers.

C. R. Hubbard, Bureau engineer, made a reconnaissance-type examination of the Blackhawk and Alice mines, 7/31/57.

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

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 9 1958

6/9 C 220 400

June 5, 1958

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

5046

Re: New Application(Manganese-Lead-Silver)
Clarence R. Oliphant
Blackhawk Mine
Meagher County, Montana
and
New Application (Lead-Zinc)
Clarence R. Oliphant
Copper State Mine
Meagher County, Montana

Dear Mr. Selfridge:

Enclosed is a copy of a lease dated May 22, 1958, between Russell Manger and Clarence R. Oliphant, and three prints of a claim map of the Blackhawk mine.

Also enclosed is a copy of an agreement dated May 31, 1957, between Montana Copper and Zinc Company and C. R. Oliphant with three prints of a claim map of the Copper State mine. (This belongs to Lead & Zinc Div.)

Sincerely yours,

A. E. Weissenborn

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

Enclosures

cc: USBM (4)

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

June 10, 1958

Mr. Clarence R. Oliphant
Lennep, Montana

Subject: DMEA-5046

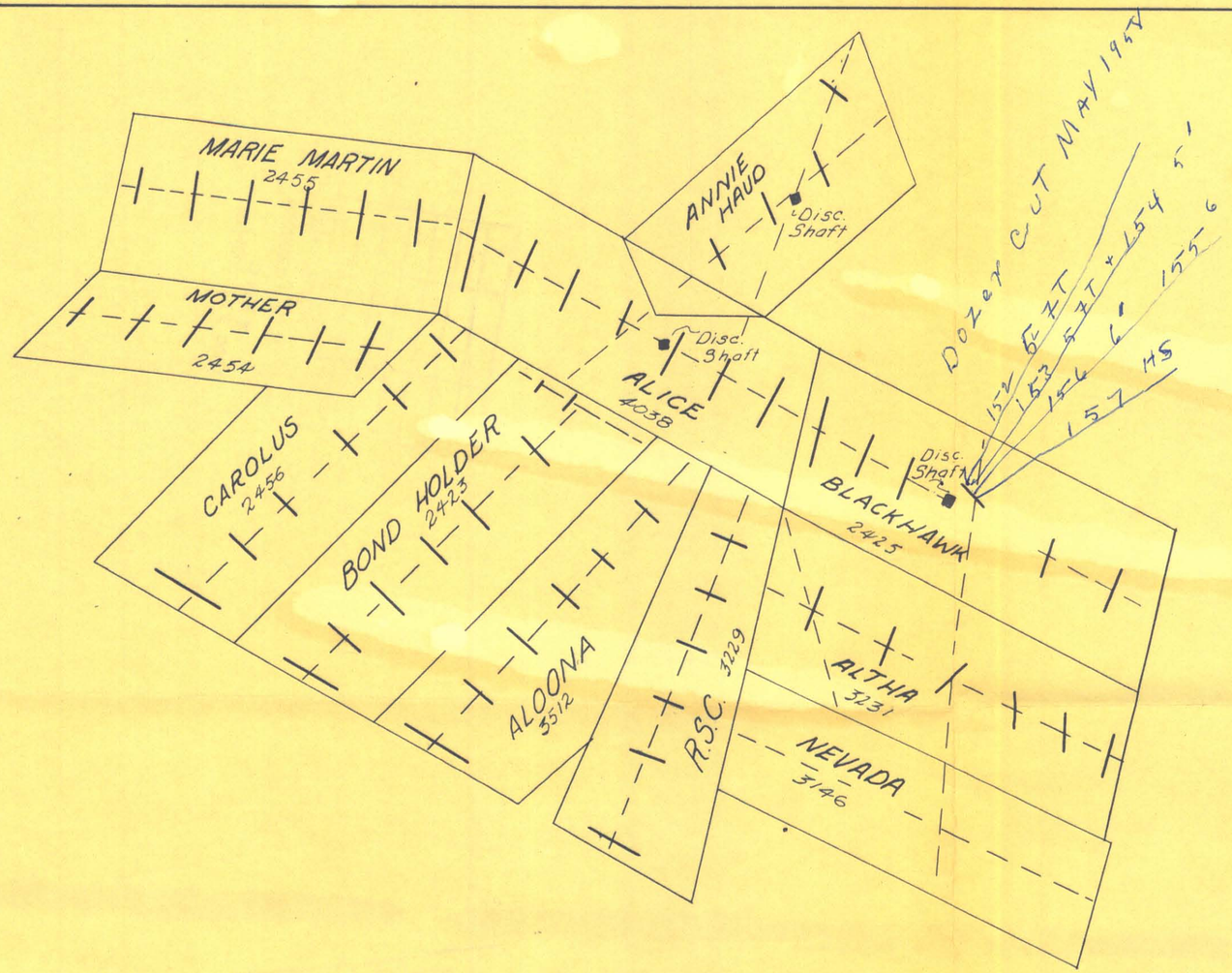
Dear Mr. Oliphant:

Your application for exploration assistance, dated May 31, 1958 submitted to our office at Spokane, Washington has been assigned Docket Number DMEA-5046 and referred to the Iron and Ferro-Alloys Division in the Washington office. Kindly identify all future correspondence relating to your application by this Docket Number.

Sincerely yours,

Allen S. Dakan, Director
Operations Control and
Statistics Division

Copy to: Region I.



BLACKHAWK CLAIMS
SEC. 36., T9S., R8E
CASTLE MINING DISTRICT
WHITE SULPHUR SPRINGS
MONTANA

Scale 1 inch = 300 feet

N

ORE SAMPLES from BULLDOZER CUTS BLACKHAWK CLAIM No. 2425

	SAMPLE No.	SILVER	LEAD	MANGANESE
	152	3.30 %	2.40 %	14.60 %
	153	1.80	5.00	12.80
	154	2.40	1.60	15.10
	155	6.80	8.40	
	156	13.60	15.20	
	157	36.60	46.30	
	156	Sample from ore pile shoved up from dozing		
HS	157	Hand sample from same place as 156		

— — — — — — Possible vein or structure

— — — — Proposed bulldozer cuts